



**Goldman Sachs**  
Is now the time  
to go public?

Page 15



**Gene genius**  
A map of  
humanity

Page 14



**Eritrea**  
Self-reliant and  
back on track

Page 5



**Weekend FT**  
A different way  
to celebrate

World Business Newspaper

FRIDAY DECEMBER 22 1995

## Lithuanian bank officials arrested on fraud charges

Three top Lithuanian banking officials were arrested on suspicion of fraud in a banking crisis which government officials warned could damage the nation's economy. The chairman of Innovation bank, the country's largest commercial bank, was arrested after he hid inside the bank for 12 hours while anti-terrorist units surrounded the building. Page 18

**Brussels warning on Serbia aid:** EU commissioner for external affairs, Hans van den Broek, warned that the self-styled Serbian republic in Bosnia could not expect international aid for reconstruction until it handed over convicted war criminals. Page 2

**Barings will fail this year** to meet its profitability targets set by ING Group, the Dutch financial services company which bought the UK merchant bank for \$660m (\$1bn) in March after it collapsed. Page 17

**US supports Libyan investment sanctions:** The US Senate has voted to impose sanctions on foreign companies that make new investments of at least \$40m in Libya's oil and gas sector to press Tripoli to hand over two Libyans accused of bombing Pan Am Flight 103 over Lockerbie in Scotland in 1988. Page 5

**Rolls-Royce, the aero-engines and industrial power group, ended the search for a new chief executive with the appointment of John Rose, currently the company's aerospace activities managing director. Page 17**

**Budget impasse delays Jupiter report:** After travelling the 580m miles from Jupiter to Earth over four days, the world's most eagerly awaited weather report from the Galileo spacecraft has been delayed by the US budget impasse. Page 6

**S Korea charges ex-presidents:** Former South Korean presidents, Chun Doo-hwan and Roh Tae-woo, face possible death sentences after they were indicted on charges relating to a 1979 army coup. Page 9

**Russian Communists demand key seats:** Russian Communists said they would demand key positions in parliament, including the chair, as additional election results confirmed a massive swing to the left in last Sunday's parliamentary election. Page 2

**Silvio Berlusconi's brother jailed:** Paolo Berlusconi, brother of the former Italian prime minister Silvio, was sentenced to 16 months in prison for paying L.1.05bn (\$647,000) in bribes to local authorities in Milan. Page 3

**Brussels probes platinum merger plan:** The European Commission has opened an investigation into plans by the South African-based companies Gencor and Lonrho to merge their platinum businesses, fearing the tie-up could stifle competition. Page 4

**Canadian Airlines International** will post a loss of between C\$185m and C\$195m (US\$135m-142m) for 1995, nearly twice the level expected by analysts. Page 20

**Austrian party leader faces charges:** Austrian authorities are considering laying criminal charges against Jörg Haider, the leader of the country's far-right Freedom party, for alleged neo-Nazi activities. Page 4

**Air crash kills 160:** US aviation experts headed for Cali, Colombia, to help investigate the crash of an American Airlines airliner with 164 people aboard. Four people were reported to have survived. Page 6

**Charlton bows out as Ireland soccer chief:**



Jack Charlton quit as Ireland manager, eight days after his side failed to qualify for next year's European championship finals. After meeting football officials in Dublin, the 60-year-old former England defender said he had felt for some time that there was a need for a change.

STOCK MARKET INDICES		GOLD	
New York Composite	5,087.25 (+7.94)	New York: Comex	328.17 (389.6)
Dow Jones Ind. Av.	5,087.25 (+7.94)	Feb 1	328.17 (389.6)
NASDAQ Composite	1,035.40 (+10.12)	London:	
Europe and Far East		Gold	328.17 (389.6)
CH40	1,334.38 (+3.18)		
DAI	2,255.07 (+3.0)		
FT-SE 100	3,633.3 (+18.6)		
Nikkei	18,653.25 (+24.5)		

US LUNCHTIME RATES		DOLLAR	
Federal Funds	5.1/4	New York: Comex	1.5363
3-month Treasury Bill	5.023%	Feb 1	1.5363
Long Bond	7.11%		
Yield	6.112%		

OTHER RATES		STERLING	
UK 3-month Interbank	6.12%	DM	2.2165 (2.2195)
UK 10 yr Gilt	10.12%	Jan 1	2.2165 (2.2195)
France 10 yr OAT	10.12%		
Germany 10 yr Bund	10.12%		
Japan 10 yr JGB	10.12%		

NORTH SEA OIL (Augsburg)		TOKYO CHAS	
Brut 15-day Feb	\$17.05 (17.76)		

© THE FINANCIAL TIMES LIMITED 1995 No 32,865 Week No 51

## Juppé appeals for united attack on unemployment

By David Buchanan in Paris

New proposals to revive France's flagging economy were announced yesterday by Mr Alain Juppé, the prime minister, who urged unions and employers to negotiate reduced working hours to create jobs for unemployed young people.

At the start of a "social summit" called to pacify the country's striking public sector workers, Mr Juppé said despair about unemployment, which averages 11.5 per cent nationally and is double that for young people, was

at the root of the recent wave of industrial disputes.

He called on unions and employers to join him in a new attack on unemployment which, coupled with measures to stimulate growth, would send out a pre-Christmas message of hope.

He set a goal of creating 250,000 jobs for youngsters by the end of 1996, and said he would not try to legislate working time reductions, which unions and employers should negotiate themselves.

A small demonstration by the pro-Communist CGT federation took place near the meeting.

Leaders of the CGT and the Force Ouvrière federation warned before the summit that anti-government protests could start again if it failed to produce concrete results.

The Bank of France yesterday shaved a further quarter percentage point off its 5-10 day "repurchase" rate to bring it down to 5.5 per cent.

The bank, which has independence in setting monetary policy, appears to be bending over backwards to help the government by reducing the cost of money without jeopardising the franc.

A grateful Mr Juppé hailed the fact that the central bank's base intervention rate, cut to 4.45 per cent last week, was now "at its lowest level for two decades".

Despite pressure, including from his own backbenches, Mr Juppé yesterday held to his plan to impose a new 0.5 per cent income levy on January 1 to repay past social security debt.

But he promised there would be no further tax increases, and that the tax burden would start easing next year as health insurance charges were progressively replaced by a rise in the general

CSG social security levy. This, he said, should help consumption.

Mr Juppé said he was instructing Mr Jean Artus, economy and finance minister, to propose a new stimulus for the construction sector and to ease the rules on company savings schemes to enable employees to take money out of them earlier in the hope that they would buy consumer goods.

Under pressure also from President Jacques Chirac, Mr Juppé suggested three further "social summits" with unions and employers by next summer to

work on the problems of youth unemployment and on the possibilities of reducing work time.

A bizarre note was struck by Mr Charles Millon, the defence minister. In his capacity as the president of the Rhône-Alpes region, he persuaded his regional council yesterday to vote for local companies to reduce working hours from 39 to 32, but to pay their workers for 35.

The state, as well as the region, would pay for the missing three hours. Aides to Mr Juppé said Mr Millon's local action did not commit the government.

## Congress bill set to rewrite law on US telecoms

By Nancy Dunne in Washington

The US Congress is set to pass a landmark bill rewriting US telecommunications law and tearing down the regulatory walls between telephone, cable and broadcast industries.

A deal between White House and congressional negotiators means the proposed legislation, which includes new penalties for distributing obscene material on computer networks, is expected to be approved in the next week.

The decade-long effort to rewrite telecoms law was hailed by Mr Al Gore, vice-president, as "a centrist bill for the 21st century" speeding completion of the information superhighway.

The bill, agreed after talks on Wednesday, is designed to cut prices for consumers by allowing local and long-distance telephone companies and cable television monopolies to compete with each other.

The White House and Congress needed to resolve a protracted dispute between long-distance carriers and the regional Bell companies. The "Baby Bells" are monopolies created to supply local telephone services after the court-ordered breakup of the AT&T system. Long-distance companies, which have been competing fiercely with each

### Regulatory walls between industries to be torn down

other, will be allowed to offer local telephone services. Local telephone and cable companies can also enter the long-distance market. However, it will be left to the Justice Department to decide when the competitive conditions are appropriate for companies to enter a new market.

House and Senate representatives agreed several concessions to win support for the measure from Senate Democrats and the White House. Congressional negotiators agreed to drop provisions that could have led to media monopolies. The bill also guaranteed discount rates for telephony and media services for schools and libraries, and a retained Justice Department role in policing the telephone industry.

Some Republicans were unhappy that the legislation delayed until 1999 deregulation of rates for large cable television systems. The bill also disappointed on-line providers of computer services because it dropped a provision preventing the Federal Communications Commission from regulating the Internet.

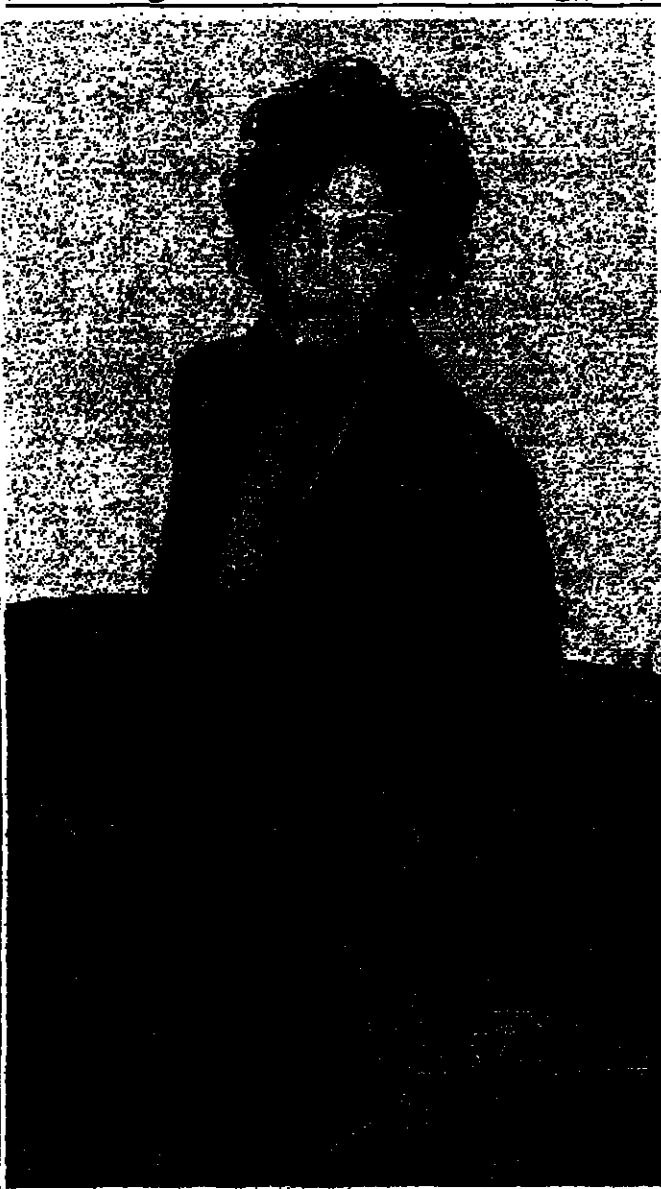
The final deal was cut by the House and Senate commerce committee chairmen, leading Democrats and the White House. It must still be approved by members of the House-Senate negotiating committee before returning to both houses for final passage.

Mr Clinton has signalled he will approve the compromise bill. House and Senate Republicans pushed for legislation relaxing federal limits on concentration of media ownership. Mr Rupert Murdoch, who owns 12 US television stations and has interests in 17 others, was one of the leading proponents of the measure.

However, the administration and Senator Ernest Hollings, the senior Democrat, balked at increased media concentration, which they feared would intensify right-wing influence. Although the final bill would allow companies to own more television and cable stations in a region, the Federal Communications Commission will still have powers to restrict ownership.

A telecoms regulator and ambassador, Page 7

## US singer's contract among most lucrative ever



### Virgin close to \$90m deal with Janet Jackson

By Alice Rawsthorn in London

Janet Jackson, the US singer, is believed to be in the final stages of negotiating a recording contract worth up to \$90m with Virgin Music, the record label owned by Thorn EMI, the UK leisure group.

The agreement would be one of the most lucrative ever given to a recording artist. One of the few stars to have clinched a bigger deal is Ms Jackson's brother, Michael, who records for Sony Music.

Thorn EMI yesterday confirmed that Virgin, which signed a previous contract with Ms Jackson in 1991, was in talks with her, but said it had not yet signed a new contract. It refused to comment on the content of the current talks.

Ms Jackson's talks coincide with intense speculation about the possible sale of EMI Music, the division that includes Virgin, after its proposed demerger from Thorn EMI late next year.

They also come at a time of fierce competition among leading record labels to sign global stars. Several labels are now racing to sign R.E.M., the US rock group which is nearing the end of its contract with Warner Music.

Continued on Page 16

## Che beer leaves Cubans foaming at 'exploitation'

By Stephen Fidler in London and Ian Rodger in Zurich

The Cuban government is pressing a British businessman who signed a deal to market Cuban beer in Europe to stop exploiting the name of the revolutionary hero Che Guevara.

Che beer has become popular in some of London's trendiest bars since it was launched in the UK earlier this year by Mr Joe Grahame, a former investment banker.

The beer's motto - "Banned in the USA. It Must Be Good" - exploits the US embargo of Cuba as a marketing tool.

The beer was launched with a fanfare suggesting it was a symbol of how Fidel Castro's government, abandoned by its former Soviet sponsors, was embracing capitalism.

In fact, Che beer is not only banned in the USA, it is also going down like a lead balloon in Havana.

Important people in Cuba - such as the guerrilla leader's widow - have not been consulted. With the search for the body of Guevara continuing in Bolivia, where he was killed 28 years ago, Che beer has become a severe embarrassment to the Cuban government.

The beer is not actually brewed anywhere near Havana, but in Hertford, in the south of



England. Its only Cuban content, says Mr Grahame, is citrus fruit that gives it a distinctive flavour.

An original plan to import beer from Cuba - agreed between the state-owned Havana Rum and Liquors and the Panama-registered company Mr Grahame represents - met quality control problems.

Some of the samples were too acidic, occasionally cloudy and of varying alcohol content, which made them unsuitable for sale in Europe.

Mr Grahame says he is running short of supplies of the beer because of difficulties in obtaining the Cuban fruit. "It would be a shame to abandon the project. Che beer has become very popular," he says.

The Cuban embassy in London does not want to talk about it. However, officials from Havana say Mr Grahame has no agreement with them to use the name. Mr Grahame may legally be within his rights to use the name without Havana's permission. However, he says: "The last thing I want is a major dispute with the Cuban government."

Che beer is not alone in exploiting his image. Swatch, owned by Switzerland's leading watchmaker SMH, included a "Che" watch in its spring collection. Swatch says the watch, which carried the word Revolution on the strap, sold like hot cakes. One of the reasons: an order from the Cuban government for 10,000 pieces.

**COLNAGHI**

The French Portrait  
1550 - 1850

Including works by Chouet, Rigaud, Fragonard, Vigée Lebrun, David, Ingres, Delacroix, Courbet and Monet.

On view in our New York galleries  
10th January - 10th February 1996

Fully illustrated catalogue  
available on request

CONTENTS									
News	16	Weather	16	Arts	13	Markets	13	Managed Funds	30.91
European News	2.4	Lat	16	Arts Guide	13	Commodities	25	Money Markets	27
International News	5	Feedstuffs	15	Crossword	25	FT Actuaries	32	Recent Issues	35
Asia-Pacific News	9	Leader Page	15	Companies	22.23	FTSE-100 Index	36	Share Information	28.29
American News	6	Letters	14	UK	22.23	Foreign Exchanges	27	London SE	32
World Trade News	7	Management	12	Int. Companies	18.20	Gold Markets	25	Wall Street	33.35
UK News	10	Observer	15	Int. Cap Mkts	26	Int. Bond Service	26	Bourses	33.35

LONDON • LEIPS • PARIS • FRANKFURT • STOCKHOLM • MADRID • NEW YORK • LOS ANGELES • TOKYO



# Polish minister accuses PM of spying

By Christopher Bobinski  
in Warsaw

Poland was thrown into political turmoil yesterday when Mr Andrzej Milczanowski, the interior minister, told parliament that Mr Jozef Oleksy, the prime minister, had passed secret documents to "foreign agents" for five years. Mr Lech Walesa, the outgoing president, meanwhile came under scrutiny from the tax authorities.

The Gdansk tax office has frozen Mr Walesa's bank account against a claim of unpaid tax on a \$1m payment received from Warner Bros, the US entertainment group, in 1990 for the rights to a film about his life which was never made. Mr Walesa revealed the payment during the presidential election campaign but has been trying to avoid having to pay tax on it.

The controversies surrounding Poland's two highest officials statement erupted two days before Mr Walesa is due to hand over the presidency to Mr Aleksander Kwasniewski, who earlier this month admitted to lying about his educational qualifications during the hard fought presidential election campaign.

The interior minister's accusation against the prime minister evidently referred to the Russian security services and was followed by an emotional denial by an evidently shaken Mr Oleksy. He told parliament, "I have never been anybody's agent". Mr Oleksy said he was ready to stand trial to have his name cleared and claimed that any evidence that he had acted as a spy for a foreign power had been fabricated.

Mr Milczanowski, a former Solidarity activist, reported the alleged offence to the military



Prime minister Jozef Oleksy pictured (right) in parliament yesterday

prosecutor's office on Tuesday. Today the prosecutor is due to rule on whether the evidence warrants an investigation.

Mr Milczanowski, who,

together with the foreign and defence ministers, was nominated by Mr Walesa, leaves office today. The three are resigning as a gesture of solidarity with their chief who also leaves office today.

Describing his speech as "one of the most difficult moments in my life", Mr Mil-

czanowski denied it was a "provocation, manipulation or attempt to blackmail Mr Oleksy". He said final proof had come in October in an investigation which had lasted several years and included information from sources both "at home and abroad". "These were not incidental contacts with agents who were acting under diplomatic cover," he asserted.

The clash between Mr Oleksy and his interior minister came after a day of political manoeuvring in parliament. Mr Waldemar Pawlak, leader of the Polish Peasant party, the junior coalition partner explored abandoning Mr Oleksy's Democratic Left Alliance (SLD) and forging links with opposition parties to form a new administration. But the effort collapsed when the SLD threatened new elections. Editorial comment, Page 15

# Communists to demand key Russian posts

By Chrystie Freeland  
in Moscow

Russian Communists said yesterday they would demand key positions in parliament, including the chair, as additional election results confirmed a massive swing to the left in Sunday's parliamentary election.

Government officials are insisting that the vote will not effect foreign or domestic policy, but the Communists strong showing has prompted both Russian and western politicians to urge the country's quarrelling democrats to unite around a single presidential candidate.

It is the forces of the left, who are expected to control more than 180 of the 450 seats in parliament, who now seem to be setting the political agenda.

Mr Valentin Kuptsov, a deputy leader of the Communist party, said the central committee presidium had decided yesterday to press for a Communist to become speaker of parliament when it convenes next month. Communists would also demand control of key committees, which play an important role in drafting legislation.

The mainstream Communist party received another important boost yesterday when Mr Viktor Anpilov, head of the radical leftwing Working Russia party, which surprised analysts by receiving 4.57 per cent of the popular vote, said he would back the Communist party's candidate for the presidency next year.

By contrast, Russia's reformers remain deeply divided and both western and domestic politicians warned that unless the democrats united over the next six months they risked handing the presidency to a Communist or ultra-nationalist candidate.

Mr Yegor Gaidar, the former prime minister who launched Russia's market reforms but whose Russia's Choice party won fewer votes than Mr Anpilov's radical Communists,

Latest results in Russia's parliamentary election show an even stronger swing to the Communists. With the votes counted in 192 of the country's 225 electoral districts, the Communist party had 27.39 per cent, Mr Vladimir Zhirinovskiy's ultra-nationalist Liberal Democratic party had 11.14 per cent, the pro-government Our Home is Russia party had 9.65 per cent and the reformist Yabloko party had 7.11 per cent.

Preliminary results available from all 225 first-past-the-post constituencies gave the Communists 88 seats, the closely-allied Agrarian party 29 seats, and the leftwing Power to the People party 9 seats. Yabloko had 14 seats and Our Home is Russia 10.

urged Russian democrats to support a single presidential candidate.

Otherwise, he warned, "Zyuganov (the Communist leader) and Zhirinovskiy (the ultra-nationalist) will go through to the second round of presidential elections and voters will have to choose between a Communist and an ultra-nationalist as president".

In the first public sign that the US is also worried about such an outcome, Mr Warren Christopher, US secretary of state, also urged Russian reformers to rally around a single leader.

Yesterday also brought the first high-level hint that the election result could be subject to a legal challenge. Mr Ivan Rybkin, speaker of the outgoing legislature whose own party won less than 2 per cent of the popular vote, said that if the four parties expected to dominate the new parliament together accounted for less than 60 per cent of the total vote the Constitutional Court might be asked to annul the elections on the grounds that the result did not represent the views of a majority of the electorate.

# Alitalia chairman spells out plans

By Andrew Hill in Milan

Mr Renato Rivero, chairman and chief executive of Alitalia, yesterday outlined plans for restructuring and recapitalising the troubled Italian state airline, to the state holding company Iri, which is the majority shareholder.

According to one Iri director, quoted by the Ansa news agency, Mr Rivero said Alitalia was considering a capital increase of L1,500bn (\$940m) over four years, of which L1,000bn would be paid immediately. Neither Iri nor Alitalia would confirm the figures.

A capital injection of that size would almost certainly attract the critical scrutiny of the European Commission, given that the airline has not yet returned to profit.

Mr Rivero took over the post of chief executive in October from Mr Roberto Schiano, ousted after his restructuring plan led to months of disruptive industrial action. Iri accused him of failing to deliver the financial results he had promised under his plan. He faces a struggle convinc-

ing unions that the new plan is any better. After an inconclusive meeting with management, unions yesterday said they opposed the proposal for an 18-month freeze on industrial action "in exchange for nothing". Details of the plan have not been released, although newspapers have reported that it involves disposing of non-strategic businesses and new targets for passenger and freight growth.

The plan, which covers the next three years, is understood to set Alitalia the initial target of breaking even, a prerequisite for the capital increase. It also says the airline should add to its alliances with other carriers in North America, Asia and Europe, and enlarge existing partnerships with companies such as British Midland, Malev of Hungary (in which it has a 35 per cent stake), and Continental of the US.

Iri has already said it would be prepared to reduce its stake in Alitalia as part of the capital increase, allowing other private investors to buy into the national flag-carrier.

# Aid to Bosnian Serbs tied to war crimes trials

By Lionel Barber in Brussels

The self-styled Serbian "republic" in Bosnia cannot expect international aid for reconstruction until it hands over suspected war criminals, Mr Hans van den Broek, the European Union's commissioner for external affairs, said yesterday.

Mr van den Broek's warning came at the end of a two-day international donor conference for Bosnia which reached its \$500m target for the first three months of 1996.

The funds are intended to kick-start the Bosnian economy and restore basic services such as gas, electricity and water. A second international conference in March will seek commitments for the overall Bosnian reconstruction programme, estimated to cost around \$5bn.

Mr van den Broek, who co-chaired the Brussels conference with the World Bank, said the promised funds sent a "clear signal of hope" to all the people of Bosnia.

But he joined the US in stressing that aid can only be

disbursed to the Bosnian Serbs on condition that war criminals are brought to justice - a reference to wanted suspects, Mr Radovan Karadzic, the Bosnian Serb leader, and General Ratko Mladic, the Bosnian Serb military leader.

Mr van den Broek said these were the conditions agreed in the Dayton peace accords. "It is not a matter of revenge. You cannot expect people to return to a normal state and a new life, if a minimum of justice is not done... to show those people responsible for war crimes that they cannot commit these crimes with impunity."

More than 40 countries and 20 international agencies attended the Brussels meeting. There were also preliminary talks on the daunting task of co-ordinating the aid effort with the Nato military operation and the civilian administration led by Mr Carl Bildt, the former Swedish prime minister.

The EU contribution, including funds from the European Commission and national coffers, amounts to around 50 per cent of the initial \$500m. The

World Bank is putting up \$150m, while the US offered \$63m, the Dutch \$57m, and the British \$30m.

These figures appear to breach French-led demands that the Europeans pay an equivalent one-third share of the reconstruction effort. But officials stressed that burden-sharing could only be assessed once the final package was agreed, along with other factors such as humanitarian aid.

The World Bank is to take the lead role in technical and macro-economic issues relating to reconstruction. The European Commission, along with select member states, take part in the steering committee overseeing aid disbursement and implementing the peace.

One potential source of friction is that generous donors such as the Netherlands, which also sent a battalion of troops to Bosnia, want a seat on the steering committee. Membership is so far confined to the Group of Seven industrialised countries, the European Commission and a small number of other unspecified countries.



Manor House, Cranborne, Dorset, 1993. Private Collection.

THE ARTIST AND THE COUNTRY HOUSE  
FROM THE 15TH CENTURY TO THE PRESENT DAY  
FROM 8 TO 27 JANUARY 1996

A loan exhibition of magnificent country house views to benefit the Prince of Wales's Institute of Architecture.

A stunning exhibition of more than 140 oil paintings on loan from private collections, including works by Jacob Knyff, Jan Siberechts, Turner, Constable, Rex Whistler, Felix Kelly, Jonathan Warrender and Marcus May.

Sponsored by:

Gauntlett Insurance Services Limited, Hiscox Underwriting Limited, Wingate and Johnston, J O Hambro Magan & Company Limited, Sotheby's Institute.

SOTHEBY'S

Exhibition at Sotheby's Galleries, 34-35 New Bond Street, London W1A 2AA. Weekdays 9am to 4.30pm, Saturdays 10am to 4pm and Sundays 12 noon to 4pm.

*Riber Hall*

Enjoy pure tranquility - and outstanding cuisine in this historic Derbyshire Country House, recently nominated as one of "The most romantic hotels in Britain". Recommended by all major Guides. Two-day breaks available

Tel: Matlock (01629) 582795

**CONTRACTS & TENDERS**

GOVERNO DO ESTADO DO PARANÁ

**COPEL**

**SALTO CAXIAS HYDROELECTRIC PROJECT**

**IGUAÇU RIVER**

**INTERNATIONAL BIDDING C-206**

**HYDROMECHANICAL EQUIPMENT FOR RIVER DIVERSION**

**CALL FOR BIDS**

COMPANHIA PARANAENSE DE ENERGIA - COPEL informs that an international bidding is opened for design, supply, shipment, erection supervision and operation start-up of fifteen (15) slide gates and two (2) wheel gates for river diversion and two (2) complete wheel gates for compensation water of Salto Caxias Powerplant, located at Capitão Leônidas Marques and Nova Prata do Iguaçu county border, in the State of Paraná - Brazil.

This lowest price type international bidding is opened to individual companies or joint ventures.

The amount of costs related to this supply will be covered by COPEL's own resources.

The Bid Documents will be available to bidders from December 15<sup>th</sup>, 1995 till January 31<sup>st</sup>, 1996 against payment in Brazilian currency of R\$ 150.00 (one hundred and fifty reais), at the following addresses:

- Superintendência de Obras de Geração  
Rua Voluntários da Pátria, 233 - 5<sup>o</sup> andar - sala 504.  
80020-000 - Curitiba - PR  
Telefone (55-41) 322-1212 - Ramal 5541  
Telefax (55-41) 331-6155
- Escritório COPEL/São Paulo  
Alameda Santos, 1800 - 14<sup>o</sup> andar - conj. 14B  
01418-200 - São Paulo - SP  
Telefone (55-11) 289-1431  
Telefax (55-11) 289-3929

At the time of Bid Documents purchase, all companies shall present a letter containing name and department of the person for contact and complete mailing addresses.

The receipt of Qualification and Bid Documents is scheduled for March 1<sup>st</sup>, 1996, at 3:00 P.M., at COPEL's office meeting room, in Curitiba, Rua Voluntários da Pátria 233, ground floor.

The Bidding will be ruled by law n. 8666, dated June 21, 1993 and by other conditions stated herein and in the Bidding Documents.

COMPANHIA PARANAENSE DE ENERGIA

For all ECA members around the world.

Best Wishes for the Festive Season

**+ 44 (0) 1753 551 551**

**(0) 1753 551 551**

**1 7 1**

**3 5 1**

**5 0 0 0**

**1**

**ECA INTERNATIONAL**

**Global Partners in Human Resources**

For everything you need to know about Employment, call us on Tel: +44 (0) 1753 551 551 from January 1<sup>st</sup> 1996 or Fax: +44 (0) 1753 551 551.

ECA International, Anchor House, 15 Brunel Street, London, NW3 3TF, UK.

(Previously, Employment Consultants April 1<sup>st</sup> 1994 to 31<sup>st</sup> 1995)

**NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS IN KOMATSU LTD.**

EDR holders are informed of a dividend to holders of record as of September 30, 1995. The cash dividend payable is Yen 4.1 per common share of Yen 50.00 per share. EDR holders may have dividend coupons No. 54 for payment in the amount of Yen 4.1 per share. Payment of the dividend with a 15% discount is subject to receipt of a valid dividend coupon. EDR holders in a country having a treaty of agreement with Japan for the purpose of the dividend will be entitled to a 15% discount on the dividend. The dividend will be paid to the EDR holders at the rate of 20% of the gross dividend payable. The full rate of 20% will also be applied to any dividend earned after April 30, 1996.

EDR  
Conversion  
1,000 shares  
Dividend  
Yen 4.1  
Yen 4.1 x 100 = 410  
Yen 4.1 x 100 = 410

Dividend Payable  
Less 15% discount  
Yen 348.50  
Yen 348.50 x 100 = 34,850  
Yen 348.50 x 100 = 34,850

Depository, Citibank N.A., 333 Spring Street, London WC2R 2HS  
December 22, 1995

Agent, Citibank, 15 Avenue des Capucines, Luxembourg

150 م الامم



## EUROPEAN NEWS DIGEST

## Jail for brother of Berlusconi

Mr Paolo Berlusconi, brother of Silvio, the former Italian prime minister, was yesterday sentenced to 18 months in prison for paying L1.95bn (\$677,000) in bribes to local authorities to develop a golf course in the suburbs of Milan.

The Milan court rejected Mr Berlusconi's defence that he had been constrained to pay the bribe, but took note of his offer to repay L1.3bn in damages to the local authority. Mr Berlusconi immediately lodged an appeal.

Two years ago he took over ownership of Edilnord, the construction group founded by his brother, and has already received a six-month prison sentence for making illegal payments to political parties in relation to a Milan refuse treatment contract.

He is also currently on trial for corruption in relation to the sale of property to the pension fund of Carlo, the Milan savings bank. On Wednesday Brescia magistrates requested he be sent for trial for allegedly aiding and abetting the blackmail of Mr Antonio Di Pietro, the leading anti-corruption magistrate.

Robert Graham, Rome

## Latvia ends premier deadlock

The Latvian parliament yesterday endorsed Mr Andris Sklele as prime minister, ending nearly three months of political uncertainty in the Baltic state.

An entrepreneur with little prior political experience, Mr Sklele, 37, said his priorities would be to maintain the stability of the lat, Latvia's national currency, to balance the budget and to open the property market to foreign investors. In foreign policy, Mr Sklele said that he would continue to press for Latvia to be admitted to the European Union and Nato - but said he also hoped to establish a stable relationship with Russia.

Mr Sklele was the third candidate to be nominated for the post since October parliamentary elections. The two previous contenders were rejected by the splintered legislature where nine parties are represented but none controls anything approaching a majority.

Mr Sklele is expected to create a coalition government of at least five of the parties.

Christa Freeland, Moscow

## Waigel urges strict austerity

Mr Theo Waigel, the German finance minister, has warned cabinet colleagues of the need for more austerity in federal government spending in view of slower growth and sluggish tax revenues.

Acting before the already tough 1996 federal budget has been published in the official gazette, Mr Waigel said the government intended to order a 1 per cent across-the-board cut in federal civil service jobs in 1997. He also said administrative spending would be frozen in 1997 at next year's level.

In a letter outlining his ideas for the 1997 budget, Mr Waigel promised to make the federal administration more efficient and smaller, partly through closing or merging government agencies. He said his goal was to cut the federal civil service back to its level before German unification five years ago.

The minister warned that there was simply no scope for increased spending. Any emergency outlays would have to be matched by cuts elsewhere. According to the Finance Ministry, the 1997 budget is due to be discussed by the cabinet on July 3 next year.

Peter Norman, Bonn

## Italy's cabinet seeks budget deal

The Italian government was yesterday locked in intense negotiations with Italy's main political parties to broker a deal to allow the 1996 budget to be approved by the end of the year.

The main stumbling block was finding a formula to get around the effects of Monday's unexpected amendment, passed by the lower house, which demanded increased spending cuts instead of taxes to find an extra L5.25bn (\$3.3bn). This extra amount, separate from the main 1996 budget's L22,000bn in new taxes and spending cuts, was made necessary by a projected shortfall in 1996 revenues. Yesterday the government was trying to persuade the parties to accept a deal whereby the "mini-budget" was funded by a mix of spending cuts and increased taxes on cigarettes and petrol. There were signs the rightwing alliance, headed by Mr Silvio Berlusconi, the former prime minister, and responsible for introducing Monday's amendment, might back down.

Both supporters and opponents of the government were expected to be voting on the contents of the 1996 budget tonight yesterday - a move intended to separate approval of the 1996 budget from the "mini-budget" of L5.25bn.

Robert Graham, Rome

## Paris says Algiers ties improved

The French Foreign Ministry yesterday claimed Wednesday's brief, fence-mending visit to Algiers by Mr Philippe Séguin, president of France's National Assembly, had helped improve strained relations between the two countries.

This visit was the first by a senior French politician to Algiers for 18 months. It followed president Jacques Chirac's decision to cancel a planned October meeting at the United Nations in New York with president Liamine Zeroual on the grounds that the latter wanted to exploit the publicity for his re-election last month. The Elysée palace said Mr Séguin, who was invited by his Algerian counterpart, had not passed on any specific presidential message when he saw Mr Zeroual on Wednesday.

The French government is increasingly making its FF500m (\$1bn) a year aid to Algeria dependent on progress to democracy and reconciliation between the military-backed government and its Islamic opponents.

Reuter, Paris

## Sabena softens stance in dispute

Sabena, the Belgian national airline, hinted yesterday that it might reconsider its decision to scrap collective labour agreements, which has sparked strikes in recent weeks.

Mr Pierre Godfrid, the Sabena chairman, said he hoped to reach agreement with unions on a restructuring plan designed to help pull the loss-making carrier out of the red. "From then on everything is negotiable again," he said.

Sabena unions have suspended the suspension of all further action until next month. They are also unwilling to agree plans to freeze wages for three years and increase working hours at peak periods.

Reuter, Brussels



British minister Tony Baldry in Brussels yesterday. "It's not foreigners we have to fear. It's the simple fact that too many vessels are chasing too little fish."

## EU fisheries ministers try to carve up a shrinking catch

European Union fisheries ministers yesterday began haggling in earnest over next year's fishing quotas in a session that was likely to extend through the night. They are hoping to soften the impact of savage cuts suggested by the European Commission in order to conserve stocks, so they can return home claiming victory, however small.

Fishermen in the UK, Netherlands, Spain and France, who face the biggest reductions, are putting their ministers under intense pressure to secure an easing of the quota cuts. The British government was defeated on fishing policy in a vote in the House of Commons on Tuesday night.

Brussels has proposed halving quotas for some species of fish where scientists point to dramatic stock declines. Biggest quota cuts are proposed for North Sea plaice, sole, mackerel, hake in the western waters around Ireland and herring.

Next year will also see the arrival of Spanish and Portuguese fishermen in the Irish Box - the waters around Ireland - for the first time since these countries joined the European Union. British fishermen have bitterly

Deborah Hargreaves and David White report on the struggle to balance preservation of stocks against fishermen's livelihoods

opposed opening up these waters.

Ministers must try to strike a balance between conservation and maintaining the livelihoods of their national fleets.

"It's not foreigners we have to fear. It's the simple fact that too many vessels are chasing too little fish," said Mr Tony Baldry, British fisheries minister.

However, fishermen's groups dispute the scientific evidence on which the quota proposals are based and argue that severe cuts will bankrupt many trawler owners.

"We think these cuts will see 20 of our vessels going out of business," said Mr Johan Nothbedahl, chairman of the Dutch Fishery Association.

Fishing in the Netherlands is based largely on flat fish such as plaice and sole for which the most severe cuts are proposed. The Commission wants a 47 per cent reduction in the North Sea plaice quota and a similar cut for sole, since these fish are caught together.

Fishermen at Lowestoft, on Britain's east coast, say their 18 specialist flat fish trawlers would all go out of business, leading to the collapse of the port.

Spanish fishermen would be hit particularly by lower quotas for hake, greatly prized on their home market, and for megrim, a kind of flatfish.

"These are essential species for us," said Mr Reinaldo Iglesias, manager of the fishing boat owners' co-operative in Vigo, the biggest Spanish fishing port, where about a quarter of the fleet operating in EU waters is based.

He warned that Spain's fleet would inevitably shrink if overall quotas for these fish were cut by more than 20 per cent, as the Commission has proposed. He added that Spain's share of these quotas was already too small.

It had exhausted its national hake quota for this year, as of Wednesday, and had come to

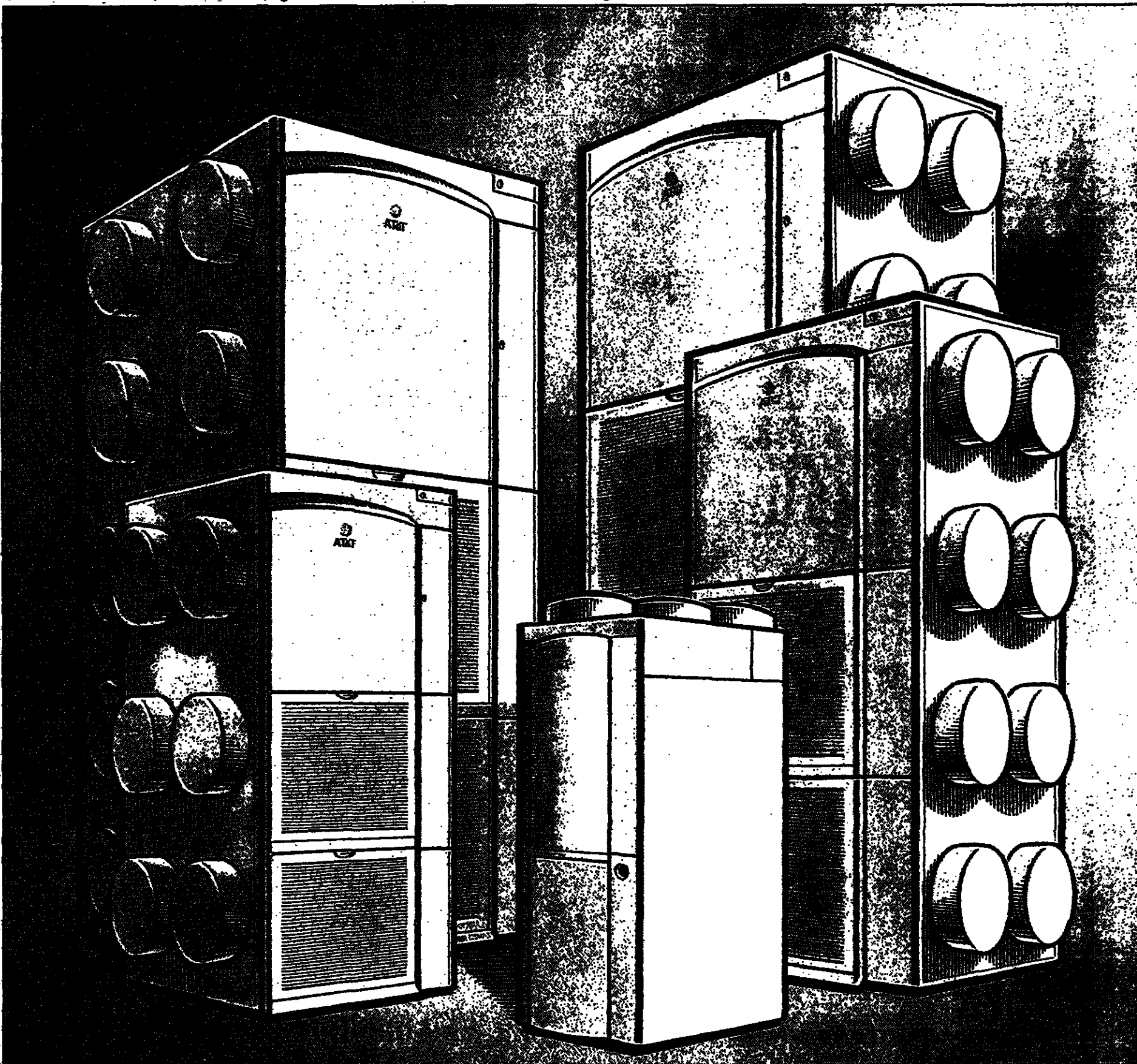
the end of its allowance for monkfish a few days ago.

Scientists are most concerned about stocks of species for which there has been increased fishing effort and where numbers of young fish have declined severely. While the Commission recognises the need to balance conservation against fishermen's economic needs, it will be seeking to maintain significant reductions in key stocks.

It realises, however, that one of the main problems facing the EU fishing industry is over-capacity. Since 1981 member countries have been required to reduce the capacity of their fleets by 20 per cent, but few countries, particularly the UK, have achieved anything like that reduction. Next year, Brussels will propose a second programme of capacity cuts, which it says must go a lot further than the original one.

Environmental groups have been arguing for drastic action to conserve fish stocks for many years. The environmental campaign group Greenpeace said yesterday: "It is totally irresponsible on the part of the managers, and suicidal on the part of the industry, to continue to avoid the necessary measures to solve the deepening fisheries crisis."

©1995 AT&T Global Information Solutions. All rights reserved. The Intel Inside and Pentium Processor logos are trademarks of the Intel Corporation.



## Have a happy, prosperous and scalable New Year.

The new WorldMark® Server range offers unprecedented scalability. It's the perfect platform for all your enterprise application needs in 1996. And unlike most New Year resolutions, this one's designed to last.

To get more information about AT&T WorldMark Servers, call 0171 725 8989 or visit our web site on <http://www.attgis.com/events/WorldMark/>



**AT&T**  
Global Information  
Solutions

UPWARD JAMIE BROWN  
SPECIALISTS IN MEDIA COMMUNICATIONS

FIND OUT HOW WE  
CAN USE MEDIA ADVERTISING AS A  
PROFIT CENTRE FOR YOU

Contact

Jeffrey Upward, Ken Jamie or Tony Brown  
for case histories and credentials.



1st Floor Holborn Tower, 137 High Holborn, London WC1N 6PP.  
Tel: 0171 887 0011 Fax: 0171 887 0030 E-mail: [upj@mediasolutions.co.uk](mailto:upj@mediasolutions.co.uk)

# Austrian far-right chief faces Nazi case

By Ian Rodger in Zurich

Austrian authorities are considering laying criminal charges against Mr Jörg Haider, the charismatic leader of the country's far-right Freedom party, for alleged neo-Nazi activities.

The investigation comes in the wake of the broadcast by a German television network last week of an amateur video showing Mr Haider addressing a secret meeting of veterans of Hitler's Waffen SS in his home province of Carinthia in October - weeks before last Sunday's election in which his party won 22 per cent of the vote.

In his address, Mr Haider, who has often been accused of neo-Nazi sympathies and who once praised the employment policies of the Third Reich, called the veterans "decent people of good character" and praised them for "sticking to their convictions despite the greatest opposition".

Mr Haider, whose populist style has transformed the Freedom party in 10 years from a spent force to the country's third largest political party, initially tried to brush off questions about the meeting and his remarks. But he then

defended his views in an interview on Austrian television. "Everything I said in that video was completely acceptable. The Waffen SS was a part of the Wehrmacht (the army of the Third Reich) and hence it deserves all the honour and respect of the army in public life," he said.

Haider addressed a secret meeting of SS veterans a week before his party won 22 per cent of the vote

Historians generally agree that the Waffen SS was not part of the Wehrmacht, but was a separate brigade reporting directly to Hitler and his top associates and deeply involved in the mass extermination of Jews.

Reminded that the post-war Nuremberg war crimes tribunal had branded the Waffen SS a criminal organisation, Mr Haider replied: "That does not interest me in the least."

Mr Dietmar Pachner, Klagenfurt public prosecutor, said

yesterday: "We are conducting criminal investigations into the comments and speech made by Jörg Haider in Krumpholtz (Carinthia) on the basis of the law against reviving Nazism."

Mr Haider has been aiming at winning enough votes in the next elections to become chancellor. This affair could seriously damage his prospects. Other leading politicians called on him to withdraw from politics, and the co-chairmen of the national parliament demanded that he apologise to victims of the SS.

The secret meeting with SS veterans took place on the fringe of the annual Ulrichsberg gathering in southern Austria, a ceremony commemorating second world war veterans and which is known to attract former SS officers and neo-Nazis.

Mr Haider said later he saw no reason why he should not take part in the Ulrichsberg ceremony. "While I reject National Socialism, I certainly do not approve of the wholesale disparagement of the older war generation."

Mr Haider's parents were both active in the Nazi party in the 1930s.

# Discontent favours the Islamists

Turkey's Refah party will benefit from disgust factor on Sunday, writes John Barham

It is hunger for justice, not religion, that is driving Turkey's radical Islamic Refah party ahead in the general election race that ends on Sunday. The party owes its ascendancy more to widespread disgust at government corruption and incompetence than a wish to transform Turkey's 70-year-old secular republic into an Islamic state.

"Refah will not be as corrupt [as other parties] because they are religious. This is what people vote for," says Mr Erdoğan Uzun, an Istanbul shopworker. If opinion polls are right, Refah could emerge as one of the largest parties in parliament with about 20 per cent of the vote. However, mainstream parties will probably form an anti-Refah coalition.

There is plenty to complain about. Inflation has dropped from a record 126 per cent last year, but is still 84 per cent. The economy is growing fitfully, but not enough to create enough new jobs for a rapidly growing population.

Refah (Welfare) proposes instead an Islamic "Just Order" to rebuild society along Islamic lines, but does not spell out clearly how this would work. It says it would seek a "balance" between the public and private sectors and establish an Islamic community of



Turkish political leaders at a pre-election television debate (left to right): Alparslan Türkeş (Nationalist Action), Tansu Çiller (True Path), Demit Baykal (Republican), Uğur Dundar (TV host), Mesut Yılmaz (Motherland), Süleyman Demirel (Democratic Left)

nations and introduce Islamic law.

Radical Islam has always been a political force since the establishment of a multi-party parliamentary system in 1950. Refah, or its precursors, have sometimes taken up to 15 per cent in elections and even participated briefly in a coalition government in the 1970s.

Refah's rise mirrors a growing trend to embrace Islamic values in Turkish society. This

is immediately apparent by the surge in construction of new mosques throughout Turkey, even though it already has about 80,000 mosques. About 500,000 children, or one in 10 of secondary school pupils, now attend state-funded religious schools. Women completely shrouded in black chadors, once rare, have become a common sight in Istanbul.

Even mainstream politicians like Mrs Tansu Çiller, the

prime minister, or her bitter rival Mr Mesut Yılmaz, leader of the conservative opposition Motherland party, have made concessions to Islamic values in their speeches. Mr Yılmaz, widely tipped to become the next prime minister, has recruited a number of radical Islamists as parliamentary candidates.

However, the majority of Turks while considering themselves good Moslems do not

want to see the secular state swept away.

"Turkey will never be like Iran," says Mr Nafiz Sahiner, a businessman. "Most people here still like Atatürk. We are the majority."

Refah is committed to change though democracy, not force of arms. Indeed, in recent weeks it has watered down some of its more radical ideas. Party officials say a Refah government would not ban interest rates as it once said: it would and it would co-operate with the European Union in the EU-Turkey customs union that will come into force next year.

Instead, it is adopting a populist line. For instance, it has announced that it will abolish taxes on wages.

Laws ban the publication of opinion polls to avoid affecting the outcome of the election, but pollsters say that the Motherland party is now pulling into the lead, leaving Refah in second place and Mrs Çiller's conservative True Path party third.

However, a US banker based in Istanbul comments: "Refah will provide a strong and effective opposition, tying the hands of the government. We are looking at 18 months of paralysis and fresh elections in two years' time."

# Irish Steel's survival spans political divide

By John Murray Brown in Dublin

The future of Irish Steel looks assured now the UK has lifted its veto of Dublin's 1930m (230.99m) refinancing of the loss-making Cork plant, Ireland's only steel mill.

Its closure, with the loss of 350 jobs, would have had a dramatic impact on the local community, where unemployment is 16 per cent.

Mr John Bruton, the prime minister, clearly identified himself with its fate, even at the risk of damaging relations with his UK counterpart, Mr John Major, at a critical time in the Northern Ireland peace process.

Given the jobs involved, its survival is almost a political imperative for any party in government, despite the commercial arguments against pumping in more taxpayers' money.

"The fate of Irish Steel was always likely going to be a big political issue. Both Ireland and the UK are in the countdown to general elections. This is raw constituency politics," says opposition Fianna Fáil Cork MP, Mr Michael Martin.

Mr Bruton's Fine Gael party has also been keen to counter the impression that Cork was in some way discriminated against - some had feared that this might happen in reaction to the premiership in the 1970s of Mr Jack Lynch, a Cork man who promoted a number of local people to high office.

"When Fianna Fáil was in power they drew a line between Wexford and Galway and for anything south of that line there was nothing doing at all," says Mr William Cuddy, president of the Cork chamber of commerce.

Irish Steel was set up when the policy of industrial self-suf-

ficiency - linked to economic independence of the UK - prevailed. Now, the traditional protected industries like steel, textiles and shipyards are finding it increasingly difficult to compete, and government attention has shifted to promoting new enterprises in electronics and chemicals.

Shipbuilders have closed, unable to compete with the Far East. The Sunbeam knitting machine factory is limping on, but with barely 150 staff compared with 3,000 when Ireland joined the European Union in 1973.

"I know people who haven't worked since Ford and Dunlop closed down, and that was more than 10 years ago," says Mr John McDonnell, a local union official. New recruits to local companies all had modern qualifications.

Cork's future prosperity is now tied up with multinational computer companies such as Apple, the biggest inward investment in the region, which employs 1,500 workers - Cork is one of its main European manufacturing centres.

The electronics industry is strongly supported by the national micro-electronics research centre at Cork University. The city is also the main hub for Ireland's foreign-owned chemical and pharmaceutical sectors, with Pfizer having a large plant and Sandoz being a recent arrival.

But there are tensions between industry and environmental lobbies, which are likely to intensify as tourism emerges as the region's largest foreign exchange earner. Cork and Kerry account for around 40 per cent of national tourist receipts. Dow, the US chemical concern, pulled out of a planned project at nearby Youle, after protests from environmentalists.

# Lonrho-Gencor deal faces probe

By Emma Tucker in Brussels and David Lascettes in London

The European Commission has opened a full investigation into plans by Johannesburg-based Gencor and London-based Lonrho to merge their South African platinum businesses.

Brussels fears the tie-up, which will create the world's largest platinum producer, could stifle competition in the market for platinum group metals which are particularly important in the manufacture of jewellery, catalytic converters and oil drilling equipment.

Although the platinum interests of Gencor and Lonrho are in South Africa, both have substantial operations in the European Union.

The merger, notified to the Commission last month, involves share exchanges between the two companies, with respect to Impala Platinum Holdings (Impats), Eastern Platinum and Western Platinum. The operation will

result in Lonrho receiving new shares in Impats.

These would be listed on the Johannesburg Stock Exchange and the International Stock Exchange in London. Following the issue of new shares, Gencor and Lonrho will each hold about 32 per cent of the shares in Impats. The remaining shares will be held by the public.

The deal has already been approved by shareholders of Impats, which is 46.5 per cent owned by Gencor, and by South Africa's competition board.

"There is a risk that this tie-up could create an oligopolistic situation," said a Commission spokesman. Analysts estimate that the combined operation would produce about 1.6m oz of platinum a year, or about 88 per cent of the market.

The world's other main producer, Rustenburg Platinum Holdings, also of South Africa, has roughly the same market share.

**DON'T GET STUCK WITH AN OVERPRICED AND OUT OF DATE PC.**

**GET STUCK INTO AN OLIVETTI AT RADIO RENTALS.**



**Olivetti Pentium P75 Computer**  
Intel Pentium P75 Mhz Processor  
8 Mb RAM, 840Mb Hard Drive  
Quad Speed CD ROM with Yamaha Speakers  
Internet Connected  
Fax/Modem/Autodialphone  
Pre-Loaded Software: Windows 95, MS Works 3.0

Olivetti Pentium  
Envision Computer  
now in stock

**£59.99\* a month over 39 months**

**radioRENTALS.**

**Buy the new Olivetti Pentium Multimedia PC exclusively at Radio Rentals on Option to Own and get:**

- Option to return after 12 monthly payments with nothing more to pay†
- Option to upgrade at anytime‡
- 39 Months in-home service and helpline§
- No deposit

**And with the final payment — it's yours!**

**WHAT ARE YOU WAITING FOR?**

**99%**

Option 2 Own. Typical Example: OVP75. Cash Price £1577.97. 39 monthly payments of £59.99 which includes £13.19 per month optional service cover and £46.80 per month for product. Total amount payable in respect of product £1825.20 when paid by Direct Debit. Total amount payable including optional service cover £2344.61 (inclusive of £3 administration fee). Written quotations available on request. Over 18 subject to status. Subject to taking out optional service cover and provided you have paid the equivalent of 12 monthly payments for product. Subject to taking out optional service cover. A £3 administration fee is due on all new agreements. Radio Rentals Limited, Bond House, Arlington Business Park, Thame, Reading, Berkshire RG7 4SA. Registered in England No 672043. A Thom EMI Company.

551 من المجلد



## Landslide election victory for Mauritius opposition

By Michael Holmes,  
Africa Editor

The leader of Mauritius for 13 years, Sir Anerood Jugnauth, was swept from office yesterday after an opposition alliance led by Dr Navin Ramgoolam, a 48-year-old Hindu, and Mr Paul Berenger, a former finance minister, won all 60 elected seats in parliamentary elections.

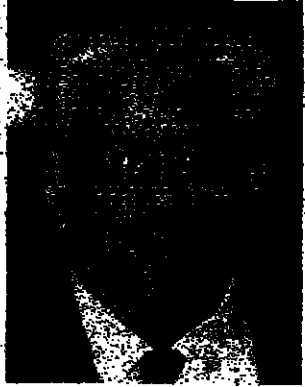
The new government immediately pledged to continue the Indian Ocean island's market-driven economic policies while giving higher priority to social welfare.

Mr Berenger, a Franco-Mauritian whose electoral base has been in the trade union movement, is deputy prime minister in the new government.

The Hindu community accounts for 52 per cent of the 1.1m population and the opposition base was among Creoles, the one-third of Mauritians who are of white or mixed-blood extraction.

Dr Ramgoolam, who qualified as a doctor before switching to law, said he would stick to the same "winning formula" of economic liberalisation, but promised to keep election pledges of equal opportunities and helping the poor.

"Keeping growth higher than now is my commitment to this



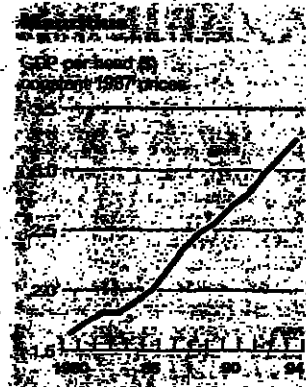
Sir Anerood, formidable leader

country," he said.

The last time any government was beaten so thoroughly was in 1982 when Mr Jugnauth, then allied with Mr Ramgoolam, ended 14 years of rule by the late Sir Seewoosagur Ramgoolam - Navin's father - who led Mauritius to independence from Britain in 1968.

Mr Berenger said he believed voters threw Sir Anerood out of office as he was doing little to end communal unrest, ethnic divisions, or repair infrastructure especially in poor areas.

"It comes down to whether people can sleep in decent houses or not, whether their roads are good, whether they think the man in the high



GDP growth in Mauritius, 1980-1994

office has time for them," he added. The result ends one of the most remarkable records of any leader of a multi-party democracy. Prime minister since 1982, Sir Anerood had fought and won four elections.

He joined the Mouvement Militant Mauricien (MMM) in 1971, and was elected as an MMM legislative assembly member in 1976, before leading the party to an overwhelming victory in the 1982 elections.

After a split in the party he formed the Movement Socialiste Mauricien. In his early years as leader Sir Anerood, a Hindu, was in the shadow of Sir Seewoosagur, but turned out to be a formidable leader in his own right who can claim

much of the credit for the transformation of the once depressed economy.

In the 1980s, Professor James Meade, a leading British economist, warned that high population growth and rising unemployment could lead to "ultimate catastrophe".

But the reforms introduced by Sir Anerood and Mr Berenger, which were drawn up with the backing of the World Bank and the International Monetary Fund in the early 1980s, turned the economy round.

The government reduced the island's heavy dependence on sugar by developing a flourishing export promotion zone which turned Mauritius into one of the world's leading clothing exporters, boosted tourism, and created an off-shore financial services sector. Since the mid-1980s gross domestic product has averaged more than 6 per cent a year, inflation has fallen to single figures, unemployment is under 2 per cent, and GDP per head has doubled to more than \$3,000.

But the new government will be hard pressed to maintain past levels of growth. The export processing zone faces a more competitive international climate, and the expansion of tourism is constrained by environmental factors.

## Eritrea's quest is to build a nation with sweat, not debt

Improvisation and self-reliance are the rare watchwords in one of Africa's smallest and poorest countries, writes Michela Wrong

In a blazing expanse of desert scrubland a group of grey-haired men in overalls labour over what once used to be a railway. The dusty rolling stock, abandoned iron sleepers, rusted bolts and grizzled veterans all have one thing in common. With 60 to 70 years of service behind them they would, by many people's reckoning, be regarded as past it.

Yet these pensioners are spearheading one of the Eritrean government's most exciting new projects: the plan to rebuild the Italian railway that once linked the Red Sea port of Massawa with the highlands capital of Asmara 117km away.

The tale of Eritrea's railway goes straight to the heart of the rebel movement-turned-government that has ruled since winning its 30-year guerrilla war against Ethiopia.

Since gaining independence in 1993, Eritrea's leaders have forged a highly individual path towards recovery, determined to remain autonomous from a world that ignored their struggle and avoid mistakes made by other African countries in the post-independence era.

The watchwords are improvisation and self-reliance. Thus aid flows - after emergency food relief - are small, although Eritrea is one of the world's poorest countries. The cohorts of western "experts" that haunt sub-Saharan capitals largely absent and there is no sign of the aid-dependent culture common to so many African states.

Soon after the war it became clear that Eritrea needed to rehabilitate the railway built by the Italian colonialists to take pressure off the over-used road supplying the capital. An array of foreign companies offered to lay a new track, price tag: \$200m-\$400m.

The government could have taken the conventional route - applying for loans and piling up future debts. Instead it decided to do the job itself.

Thousands of sleepers dismantled and used to strengthen trenches during the war years were collected up. Steam engines rusting in hangars were oiled down. Railwaymen who had trained under the Italians were summoned out of retirement. They brought with them maps and documents they had hidden away in the 1970s when Ethiopia's Marxist regime, deciding the railway was finished, ordered all paperwork burnt.

"The World Bank could have provided part of the loan to cover a commercial offer," says Giorgis Tekle Mikael, the transport minister. "But our



A veteran railway worker shows the way in a country whose independence war motto was: 'Don't kneel down'

policy is to use our resources as much as possible. Then and only then, if there is still something missing, do we ask for loans."

So far only 30km of track have been laid and with the hardest part - the section through the mountains to the plains more than 2,000m above sea level - still to come, it will be several years before locomotives puff their way to Asmara.

But by using local labour, experience and original materials, the government expects the final bill for a line that will carry 30 per cent of the country's total imports each year to reach between \$2m (\$3.5m) and \$3m (\$5m) - a fraction of the sum demanded by the foreign companies.

The approach is typical of an organisation that adopted the motto "Never kneel down" during the years when it was snubbed by the west and targeted by an Ethiopia-friendly Soviet Union.

In power at last, the Eritrean People's Liberation Front (EPLF), rebaptised the People's Front for Democracy and Justice, has not been afraid to stipulate terms to the World

Bank, International Monetary Fund and bilateral donors. Well-wishers can find the government prickly to deal with.

The leadership has been in the countryside, they know the people, they feel their heartbeat," says Haile Woldemse, finance minister. "We cannot accept that an expert comes here for a few days and dictates terms. We must be the owners of our own programme."

They believe that private enterprise will spearhead the much-needed export-led revival, convinced that Eritrea's virtually uncharted coastline offers huge potential in the form of oil and gas reserves, precious minerals, fishing stocks and opportunities for tourism.

Two years after a referendum that voted 99.8 per cent in favour of independence, the government still enjoys an extraordinary level of popular support. But to retain that backing, it must prove itself capable of improving living standards.

"We have to produce a success story for those people who suffered and lost during the war," says Mr Woldemse. "The next few years will be crucial."



## Christians grow anxious as Israel hands Bethlehem to PLO

By Mark Dennis in Bethlehem

Israel turned over control of Bethlehem to the Palestinian Authority yesterday in time for Mr Yasser Arafat, the Palestinian leader, to celebrate Christmas there.

But amid the fireworks, hugging and flag-waving around the first Christmas in 38 years of Israeli occupation in the West Bank, there was a more sombre feeling among many of the dwindling number of Palestinian Christians living in the West Bank, who fear the uncertainty that lies ahead.

While Bethlehem is not as politically important as other larger West Bank towns, the birthplace of Jesus Christ and the Christmas celebration there each year have become important symbols of Palestinian nationalism. Nowhere is this more apparent than at Manger Square, where a huge picture of Mr Arafat flutters above the souvenir shops, dwarfing the traditional Christmas decorations and pictures of the holy family.

Mr Arafat is due to arrive in Bethlehem on Christmas Eve and stay for midnight mass. Security is expected to be tight. About 50,000 worshippers, many of them foreigners, are likely to turn up for mass in the Church of the Nativity or outside in Manger Square.

Bethlehem is the fifth town to gain autonomy since the accord expanding Palestinian autonomy in the West Bank was signed in September. Ramallah, north of Jerusalem, and parts of Hebron will gain autonomy before Palestinian elections, scheduled for January 20.

The Israeli redeployment, delayed a few days until a bypass road for Israeli settlers was completed on Wednesday, went smoothly as the last Israeli military jeep left the police station at Manger Square and the first of a contingent of 850 Palestinian police and soldiers took over. It was Israel's first handover of a West Bank town not carried out in the middle of the night to avoid confrontations with

Palestinian youth eager to get a departing shot at the Israeli soldiers, reflecting the relative calm in the area.

As with the previous redeployments, there was little protest from Israeli opponents to the process, who have been silenced by the assassination of Mr Yitzhak Rabin and now largely regard the expanding autonomy as a fait accompli. Israelis have voiced concern, however, over the security arrangements around Bethlehem because it is so near Jerusalem, only a few kilometres to the north.

Mr Michael Sabbah, patriarch of the Roman Catholic church in the Holy Land, who has often criticised Israel and the implementation of the peace process, welcomed Bethlehem's autonomy. "Freedom is given back to the town, where Jesus was born and to other Palestinian towns, though many obstacles and limits to peace still persist," he said this week.

But many of Mr Sabbah's followers, as well as other local Christians, are paradoxically

not so happy to see the Israelis leave. While there's little overt Moslem antagonism against Christians, and several Christians have prominent positions in the Palestinian Authority, they worry about what Moslem majority rule will do to their rights.

They especially fret over the influence of Moslem fundamentalists and also fear the economic consequences of the autonomy, particularly the impact on tourism. "We only see the negative side of the agreement," said Mr Khader Zoghby, a professor at Bethlehem University, adding "many might actually accelerate emigration".

Emigration is a big concern for local and international church leaders. "Freedom is given only to 2.5 per cent of the population of the West Bank and Gaza. Palestinian Christians have been leaving the area in droves, mainly to countries in North and South America. As a result, Bethlehem now has a majority Moslem population.

## BP and Algeria to sign \$3.5bn gas accord tomorrow

By Roula Khatib

British Petroleum is to sign a \$3.5bn (£2.3bn) gas deal with Algeria's state-owned oil and gas company Sonatrach tomorrow, the Algerian news agency said yesterday.

The partnership agreement with Sonatrach calls for the joint development of gasfields in the In-Salah region, 1,200km south of Algiers. A special feature of the deal, which took two years to negotiate, is the setting-up of a joint marketing

company to sell gas in Europe, where Sonatrach is already an important supplier. BP is expected to bear 65 per cent of the project's costs and is entitled to about a third of the profits.

The contract, the biggest partnership signed by Sonatrach, should last for 20-30 years. It was expected to be signed last weekend but hit a last-minute legal hitch within the Algerian government.

A near four-year struggle pitting Islamic militants against security forces has not deterred energy companies seeking contracts in Algeria. Oil and gas fields are in the southern part in the country; most of the violence, in which over 40,000 people have died, has occurred in the north.

## Senate targets Libya investors

By Afshin Molavi  
in Washington

The US Senate has voted to impose sanctions on foreign companies that make new investments of at least \$10m (\$25.5m) in Libya's oil and gas sector. The aim is to put pressure on Tripoli to hand over two Libyan suspects accused of bombing Pan Am Flight 103 over Lockerbie in Scotland in 1988.

The Libyan sanctions were approved late on Tuesday in a unanimous voice vote as an addendum to the Iran oil sanctions bill which was passed without dissent in the same session and similarly targets foreign companies investing in Iran's energy sector.

The sanctions might directly affect several big European oil and gas companies. In Libya, the most active European companies are Agip (Italy), Repsol (Spain), OMV (Austria), Veba (Germany), and Wintershall (Germany). In Iran, Total and Elf Aquitaine of France and Agip could feel the bite.

The Iran legislation, sponsored by Senator Alfonse D'Amato of New York, is designed to punish Tehran for allegedly sponsoring terrorism and halt the growth of its nuclear weapons programme. The European-American Chamber of Commerce, based in Washington DC, has warned of the possible negative impact

on the Multilateral Agreement on Investment (MAI).

"The US jeopardises its leadership and credibility in MAI and future negotiations if it adopts a secondary embargo on Iran," Mr Willard Berry, president of the chamber, said.

The House of Representatives is scheduled to debate its own Iran sanctions bill in early January. In its present form, there is no mention of Libya. The addition of Libya could result in the legislation being stalled because of State Department opposition.

Earlier versions of the D'Amato bill have been softened in recent negotiations with the Clinton administration which opposed the original bill. The final version gives Mr Clinton a wide array of mandatory and discretionary sanctions.

It would no longer prohibit imports from targeted companies, does not include restrictions on government procurement from targeted companies and does not deny entry visas to the US of business executives from targeted companies.

It would, however, impose restrictions on targeted financial institutions in US securities dealings and deny loans over \$10m to the companies from US financial institutions. The most contentious aspect is the restriction on access to credit from US financial institutions for targeted companies.

### PUBLIC NOTICES

#### NOTICE PUBLISHED BY THE SECRETARY OF STATE UNDER SUBSECTIONS 6(5) AND 10(5) OF THE TELECOMMUNICATIONS ACT 1984

The Secretary of State hereby gives notice as follows.

1. He proposes to grant a licence under the Telecommunications Act 1984 ("the Act") to National Telecommunications Limited ("the Licensee") to run a telecommunications system throughout the United Kingdom. The licence will be for a period of 25 years subject to earlier revocation in specified circumstances.

2. The principal effect of the licence will be to enable the Licensee to install and run a telecommunications system throughout the United Kingdom. The Licensee will be able to provide a wide range of services, including mobile radio services and certain international services. The licence authorises connection to a wide range of other systems, including earth orbiting apparatus, allowing the provision of some types of international satellite service. On securing a share of 25% or more of the market in respect of particular services in an area specified by the Director General of Telecommunications, the Licensee may be obliged to make available those telecommunications services to all who reasonably request them within that area.

3. The licence will be subject to conditions such that section 8 of the Act will apply to it, thereby making each of the systems run under the licence eligible for designation as a public telecommunications system under section 9 of the Act. It is the intention of the Secretary of State to designate each of the Licensee's systems as a public telecommunications system.

4. The Secretary of State proposes to grant the licence in response to an application from the Licensee for such a licence because he considers that it will help to satisfy demands in the United Kingdom for the provision of services of the type authorised will promote the interests of consumers in respect of the quality and variety of such services, and will encourage and promote effective competition between those engaged in the provision of telecommunications services.

5. He proposes to apply the telecommunications code ("the Code") to the Licensee subject to certain exceptions and conditions throughout the United Kingdom. The effect of the exceptions and conditions to the application of the Code is that the Licensee will have duties:

- (a) to comply with various safety and environmental conditions, in particular (with certain exceptions) to install lines underground or only on such above-ground apparatus as is already installed for any purpose;
- (b) to comply with conditions designed to ensure efficiency and economy on the part of the Licensee, in connection with the execution of works on land concerning the installation, maintaining, repair or alteration of its apparatus;
- (c) to comply with certain public bodies before exercising particular powers under the Code, including the local planning and highway authorities and English Nature, Scottish Natural Heritage, the Countryside Council for Wales, the National Trust and the National Trust for Scotland, as well as relevant electricity suppliers;
- (d) to keep and make available records of the location of underground apparatus and copies of the exceptions and conditions in the licence to its powers under the Code; and
- (e) to ensure that sufficient funds are available to meet certain liabilities arising from the execution of street works.

6. The reason why the Secretary of State proposes to apply the Code to the Licensee is that the Licensee will need the statutory powers in the Code to install and maintain the telecommunications systems which are to be installed and run under the proposed licence.

7. The reason why it is proposed that the Code as applied should have effect subject to the exceptions and conditions referred to above are that they are considered necessary or expedient for the purpose of securing that the physical environment is protected, that there is no greater damage to land than necessary, that the systems are installed as safely and economically as possible, and that the Licensee can meet (and relevant persons can enforce) liabilities arising from the execution of works.

8. Representations or objections may be made in respect of the proposed licence, the application of the Code to the Licensee and the proposed exceptions and conditions referred to above. They should be made in writing by 31 January 1996 addressed to the undersecretary at the Department of Trade and Industry, Telecommunications Division, Room 2.57, 151 Buckingham Palace Road, London, SW1W 9SS. Copies of the proposed licence can freely be obtained by writing to the Department or by calling 0171-215 1756.

Alan Proud  
Department of Trade and Industry

22 December 1995

This announcement appears as a matter of record only

### Deutsche Handelsbank Central Russia Regional Venture Fund

An equity fund of US Dollars 33 million for investments in privatised and new enterprises in Central Russia to support modernisation and restructuring in the Russian economy.

Equity provided by  
**European Bank**  
for Reconstruction and Development

Co-Investor  
**Deutsche Handelsbank AG**

Financial support for consultancy services provided by  
Government of the Federal Republic of Germany  
via Kreditanstalt für Wiederaufbau

Fund management

**DEUTSCHE HANDELSBANK AG**  
CREDIT LYONNAIS GROUP

Signed in Berlin, London, Frankfurt am Main - 22 November 1995



## NEWS: THE AMERICAS

Budget impasse delays spacecraft data, economic figures and charity donations

## By Jupiter! America's shutting down



By Clive Cookson in London, Jurek Martin in Washington and Christopher Parkes in Los Angeles

After travelling the 580m miles from Jupiter to Earth over four days, the world's most eagerly awaited weather report has disappeared into the black hole that is the US budget impasse.

A probe from NASA's unmanned Galileo spacecraft - the first human-made object to visit the giant planet - parachuted through the turbulent atmosphere of the planet two weeks ago. It transmitted observations of temperature, pressure, wind speed, electrical activity and chemical composition for an hour before heat and pressure destroyed it.

Scientists were to release preliminary results through a briefing at NASA's Ames Research Centre in California on Tuesday, but that was postponed indefinitely due to the partial shutdown of the federal government precipitated by the acrimonious budget negotiations in Washington.



The Nasa space probe Galileo, seen via a computer image, about 215,000 km from Jupiter early this month. The line of dots represents radio signals from the probe

Recorded telephone messages at Ames yesterday said no new data had been set and asked callers not to leave a message "as no-one will be checking messages during the furlough". At the Jet Propulsion Laboratory in Pasadena, California (Galileo mission headquarters), a live voice said: "Nothing will happen

until the government is recalled. We cannot release any information until then."

Although the JPL scientists immediately concerned with the project are still at work, no hints of the Galileo findings have reached the outside world - not even via the Internet, the worldwide computer network that is the usual source of scientific gossip. A logo of an unhappy face has been gracing the Nasa News web site.

The government shutdown, the second in a month, has also hit charities. Those who compile and rely on economic data have joined tourists as leading victims of the second partial shutdown of the federal government within a month.

Several charities in the Washington area, where most of the laid-off federal employees are, have reported seasonal fund-raising as well short of targets because of the absence of paycheques, although civil servants will eventually be reimbursed.

Yesterday, the labour department was unable to produce its data on weekly unemployment claims, figures watched closely by the financial markets. On Wednesday, the commerce department, which, along with labour, produces most of the official economic statistics, could not publish trade figures for October. Revised economic statistics, compiled on an innovative "chain-weighted basis" aimed at eliminating distortions due to price fluctuations, have also been delayed.

Even those seeking to get away from it all over the holiday weekend were hitting problems because of the budget farrago. Campers, hikers and such were yesterday being shooed out of the 360 national parks. In California's Yosemite park, however, 55 dedicated kitchen staff continued their seasonal chores for a blow-out ritual unbroken since 1927. This is the Bracebridge Feast, an eight-course banno, alleged to be modelled on a party in a medieval English manor house.

## US probe of 757 crash in Colombia

Seven US aviation officials were set to leave for Cali, Colombia, yesterday to help investigate the crash of an American Airlines airliner with 164 people aboard, the US National Transportation Safety Board said, agencies report from Washington and Bogotá.

The cause of the crash, which happened on Wednesday evening in an area of south-western Colombia where rebels are active, was not known. There was no indication that it was related to the rebels or to drug traffickers in Cali, where the Boeing 757 aircraft was heading.

A Colombian radio station quoted Red Cross officials as saying four people, including a young girl, were known to have survived the crash.

Eyewitness accounts were contradictory, but police said they had received telephone calls from people in the area reporting an explosion before the aircraft crashed.

Most of the passengers were reported to be Colombians travelling home for the holidays. Cali is the hub for a cartel which supplies much of the world's cocaine.

## 'Tis the season to be taking advantage

Jurek Martin sees the White House all smiles as it finds the Speaker under its Christmas tree

There could have been gloom at the American first family's Christmas party on Wednesday night. The Senate was voting to subpoena Whitewater notes, the House of Representatives had overridden the president's veto of the securities bill, and Mr Robert Novak, the "prince of darkness" conservative columnist, was prowling the White House state rooms with a dangerously disarming smile.

In fact, President Bill Clinton and his men were in holiday mood, courtesy of conservative Republicans in the House, the latter driven on by the freshman class of 1994. Although the battle is far from over, the White House crew sensed that the opposition had made its first great tactical error, just as the endgame of budget chess entered its critical stage.

On Wednesday - breathing sound, fury and ill-disguised contempt for Mr Clinton - the Republican right had scuttled the carefully constructed agreement of Tuesday between the president, Senator Bob Dole, the Senate majority leader, and Congressman Newt Gingrich, the Speaker of the House.

This would have ended the current partial shutdown of the government while setting a course for wider negotiations to achieve a balanced federal budget within seven years. The conservatives insisted that the agreement had put the cart before the horse and that 260,000 civil servants would stay off the job until the president capitulated on the budget.

Mr Clinton instantly took advantage of the opening, just as Wall Street was showing its disapproval with the continued impasse by dropping 70 points in an afternoon. He condemned

yesterday, by Mr Adam Clymer, its congressional expert, began: "The 73 Republican freshmen who made Newt Gingrich a powerful Speaker in January played a central role in making him look feeble today."

Mr Gingrich was tactically non-committal since the Wednesday deployment, saying: "occasional setbacks were not surprising given the stakes." But Mr Dole was reported to be furious with the

Mr Gingrich's basic options are to stay with his conservatives and be part of the problem or to abandon them and contribute to a solution for which he could still claim a fair degree of credit

resistance of the House Republicans, not least because he had taken to the Senate floor on Wednesday morning to say that he expected a temporary government funding resolution to be passed before the day was over.

The relationship between the super-confident and ideological freshman class and the Speaker now looks more difficult. They had appeared almost inseparable, bound together by their electoral debt to his design of the Contract with America manifesto and by his use of them as shock troops - this combined with a deference that newcomers to Congress have rarely been accorded.

But now, in the budget crunch, they suspect Mr Gingrich is about to compromise with an administration they loathe over issues central to their beliefs - a large cut in taxation, the erosion of the social safety net and a radical return of federal powers to the states.

The problem for the conservative revolutionaries, which Mr Clinton is now seeking to exploit by isolating them, is that they remain a minority - not even a blocking minority if moderates of both parties choose to work together for a common goal, such as a mutual agreement on a balanced budget.

His accolade this week from Time magazine as its Man of the Year notwithstanding, Mr Gingrich's popularity has plummeted. He may entertain variations but his basic options are now to stay with his conservatives and be part of the problem or to abandon them and contribute to a solution for which he could still claim a fair degree of credit.

That is not the choice this self-proclaimed "revolutionary" Speaker ever wanted to face, which explains why the White House only too happy to take on Mr Dole and a divided Republican party for the presidency next November. Is feeling the Christmas spirit.

The president gleefully drove a wedge between the warring Republican factions. "I don't know with whom I am supposed to reach an agreement," he said sarcastically

the "extremist minority" in Congress and wondered out loud at a news conference how long "the tail will keep wagging the dog up there". Then, hours later, he took his own initiative to restart negotiations.

He gleefully drove a wedge between the warring Republican factions, complimenting Mr Dole on his efforts in "good faith" to resolve the constitutional and doubting Mr Gingrich's ability to lead or even control his own troops. "I don't know with whom I am supposed to reach an agreement," he said sarcastically.

The media picked up the president's judgment. The first paragraph of a front-page analysis in the New York Times

## California to free up power supplies

By Christopher Parkes in Los Angeles

California, which has the highest power prices in the US, is to be the first state to deregulate its electricity market under federal laws approved in 1992.

Industrial users will be allowed to shop around for the cheapest supplies from 1998; all other customers will have access to free-market rates by 2003.

A compromise deal approved by the state's Power Utilities Commission allows the three publicly-owned generating companies, which share \$17bn of the state's annual \$20bn market, to recoup investments in nuclear generation which would be uneconomic under

free-market conditions. Consumers will absorb these costs and excess charges resulting from federal rules obliging utilities to support alternative power generation sources, as a supplement on their monthly bills until 2005.

The plan includes creating a pool into which generators will sell electricity. Spot prices will be fixed hourly by supply and demand. An independent company will control and ensure supply, but lines will still be owned by the utilities.

Despite consumer protests that the utilities' interests were to have priority, Southern California Edison said it would cut rates 25 per cent effective January 1, 2000. Electricity in California costs 50 per cent more than the US average.

NOTICE  
ISABEL MELO FREITAS DA COSTA hereby informs Banks, Building Societies and all financial institutions and others, that she will not be liable for any debts or loans acquired by her husband RAUL FERREIRA DA COSTA.

NOTICE  
I, JUREK MARTIN, hereby inform Banks, Building Societies and all financial institutions and others, that I will not be liable for any debts or loans acquired by my wife ISABEL MELO FREITAS DA COSTA.

"THERE ARE NO CONDITIONS OF LIFE TO WHICH A MAN CANNOT GET ACCUSTOMED, ESPECIALLY IF HE SEES THEM ACCEPTED BY OTHERS."

Tolstoy.

Expanding market conditions in the new Russia and CIS represent some of the most exciting challenges facing business today.

With Russian commerce undergoing exponential change, hardly a day goes by without the announcement of new business ventures, new investments or marketing initiatives.

To those with foresight and determination, the rewards are as great as the opportunities.

But as a Western business, where do you begin to start understanding the local

conditions and characteristics? The cultural nuances?

You'll find the answers to these and many other questions at Moscow Narodny Bank.

Moscow Narodny Bank was established in London in 1919, and remains the only Russian

owned banking institution incorporated in the City of London.

Our extensive knowledge and understanding of commercial enterprise in Russia and the CIS has led us to develop business by facilitating multi-lateral trade

We're happy to share our understanding of ways to tap into those markets.

Our directors and personnel travel regularly throughout Russia and the CIS to assess local business conditions - and develop new relationships.

As a result, we're constantly widening the scope of our banking activities and adding to our in-depth market knowledge.

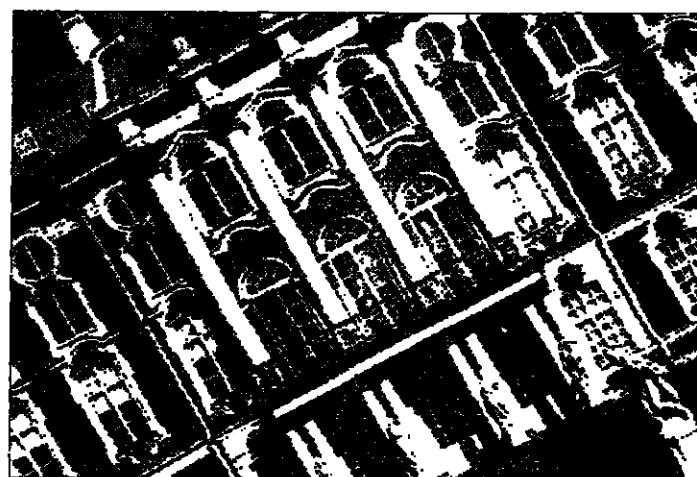
It's our belief that no other merchant bank offers Western companies a deeper

insight into the trading environments, business dynamics and cultures of the

Russian and CIS markets.

Starting a new commercial venture is never simple. But it can be made far easier in the company of those who actively

demonstrate the deepest understanding of the conditions.



MOSCOW NARODNY BANK  
INCORPORATED IN THE CITY OF LONDON SINCE 1919

THE ESSENTIAL CATALYST

UNITED KINGDOM: Head Office: Telephone: 0171 625 2068. Fax: 0171 285 4840.  
MOSCOW: Moscow Representative Office: Telephone (095) 207 5998 (Local) (095) 975 2008 (International Direct Line) Fax: (095) 250 2988.  
SINGAPORE: Singapore Branch: Telephone (065) 220 9122. Fax: (065) 225 0140.

مكتبنا في لندن



## Production of vehicles in China slows

By Haig Simonian,  
Motor Industry Correspondent

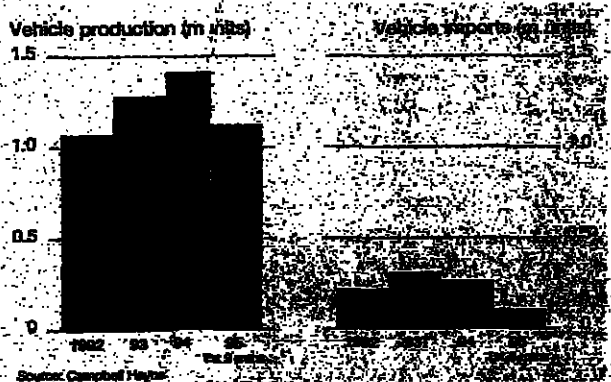
Production of new vehicles in China, one of the most promising markets for the international motor industry, has grown much more slowly this year after several years of rapid expansion.

Figures from the ministry of foreign trade show vehicle output increased by only 5 per cent to 1.12m units in the first nine months of 1995, compared with 1.07m in the same period last year. While car production rose by almost 15 per cent to 227,900 units between January and the end of September, output of jeeps, trucks, and chassis all increased much more slowly.

The figures, collated by Campbell Haynes, a UK-based consultancy on the Chinese motor industry, come as a surprise, after the steady increases in output in the 1990s, when China's annual vehicle output virtually doubled from 713,000 units in 1991 to 1.4m in 1994.

The figures, which suggest a sharp decrease in the rate of growth of demand, are supported by data for vehicle imports. While imports of semi- and completely-knocked-down cars have risen by 24 per cent in the first eight months of this year, imports of completed cars and of trucks fell heavily.

### China's motor industry: idling?



Source: Campbell Haynes

## The telecoms regulator who likes to behave as ambassador

Alan Cane talks to the FCC chief who sees his role as taking the stage to bring the US view of open competition to the world

Mr Reed Hundt tells a self-deprecating story about his qualification to be chairman of the US Federal Communications Commission, the body responsible for regulating everything from mobile telephony to broadcast entertainment.

"Some say I was picked for this job because I went to high school with the vice-president and law school with the president. These are coincidences. I was selected because I have the same birthday, March 3, as Alexander Graham Bell [inventor of the telephone]."

It has been a mixed year for Mr Hundt, a little known anti-trust lawyer until two years ago, and now one of Washington's most influential figures.

The high points include presiding over the \$7.7m auction of licences for personal communications services - advanced cellular telephony - in the US, and giving the green light to a transatlantic alliance between Sprint, the third-largest US long-distance carrier and Deutsche Telekom and France Télécom, a deal which will bring Sprint an investment of \$4.2bn from its European partners.

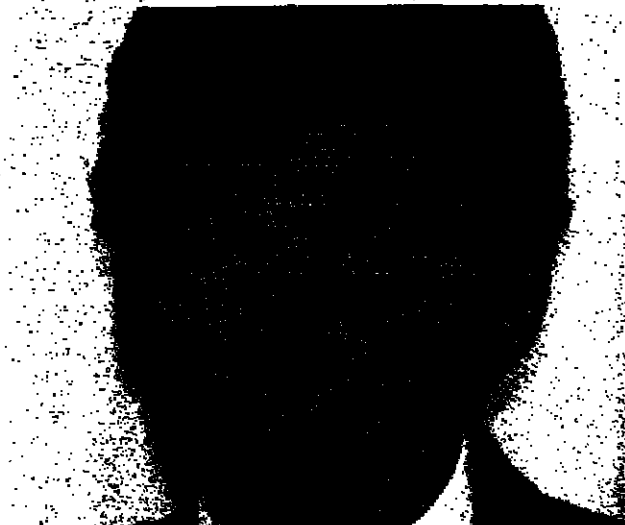
Low points have included a barrage of attacks from detractors who complain that under Mr Hundt's stewardship, decision-making has slowed drastically. The Republican-minded Progress and Freedom Foundation recently called for the FCC's abolition, arguing that over-zealous regulation had harmed competition and new services in the telecommunications business.

The House of Representatives, he says, takes a more liberal view of the agency's responsibilities. "It would be more of a reporter, simply announcing 'now the day has come'."

A resolution of the argument is expected soon, possibly before the end of the year.

Mr Hundt is a regulator, though he dislikes the term. But he behaves as an ambassador for the US view of free markets and open competition. "In the World Trade Organization talks [on the introduction of free competition in world telecoms business] we are working arm in arm with the US trade representative. This is a negotiation about business. Mickey Kantor [the USTR] and I are old friends and it is a pleasure to support him."

Last month he took the stage at a Brazilian telecoms conference to run home yet again



Hundt: favours competition, not individual competitors

change once the US government opens its internal market to competition, changing the rules to allow long-distance operators to compete in local markets and local operators to challenge the long-distance carriers. That prospect moved one step closer yesterday after Democrats and the Republicans reached a compromise deal on a telecoms bill to deregulate the industry.

He describes the Senate view of the FCC as a "gatekeeper", turning people away - telling local telephone companies, for example, that they had not done enough to open their markets to competition and so were not qualified to enter the long-distance market.

The House of Representatives, he says, takes a more liberal view of the agency's responsibilities. "It would be more of a reporter, simply announcing 'now the day has come'."

A resolution of the argument is expected soon, possibly before the end of the year.

Mr Hundt is a regulator, though he dislikes the term. But he behaves as an ambassador for the US view of free markets and open competition. "In the World Trade Organization talks [on the introduction of free competition in world telecoms business] we are working arm in arm with the US trade representative. This is a negotiation about business. Mickey Kantor [the USTR] and I are old friends and it is a pleasure to support him."

Last month he took the stage at a Brazilian telecoms conference to run home yet again

the message of open competition, arguing for a new model for the FCC. "We should be more like judges than legislators. We should favour competition instead of individual competitors. We should not be captured by any industry; we should be fair to all."

Mr Hundt is proud of the agency's handling of the auction of personal communications services licences earlier this year. "Nobody ever held a successful auction of the airwaves until we did it. It was a fascinating and hideously complex challenge."

Allowing participants to communicate before the bidding but not afterwards led to the formation of large consortiums. "We made them come together because they had to communicate quickly to decide the markets they wanted to bid on. In two months we had created these enormous telephone companies."

Sprint, for example, joined forces with the cable companies TCI, Cox and Comcast, while AirTouch got together with the "Baby Bells" Bell Atlantic, Nynex and US West. AT&T bid on its own. They will offer the next generation of low-cost mobile telephone services for residential customers as well as businesses.

Mr Hundt is fascinated by the idea of auctioning an estimated \$70m worth of digital television spectrum (airwaves), which Congress is thinking of giving away freely to broadcasters. "Fundamentally, auctions are fast, fair and efficient. They force business combinations and lead to efficient use of the spectrum."

## India licenses more mobile telephones

By Shireen Siddiqui in New Delhi

The Indian government yesterday issued 21 cellular telephone licences to eight companies operating in 15 so-called telecom "circles".

The successful bidders have deposited an aggregate Rs8.9bn

(\$254m) in fees for the first year of a 10-year licence.

The new licencees include Reliance Telecom, a consortium between Reliance Industries and Nynex of the US, which won licences for seven "circles" - which approximately correspond to state

boundaries - including Orissa, West Bengal, Madhya Pradesh, Bihar, Assam, the North-East, and Himachal Pradesh; US West-BPL, a consortium between the US telecommunications giant and a Bangalore-based electronics group, which won licences for Tamil Nadu,

Kerala, and Maharashtra (excluding Bombay); and Koshika Telecom, an alliance between Koshika of India and a Philippines telecoms group, which won three circles - Orissa, Uttar Pradesh West and Uttar Pradesh East.

### WORLD TRADE NEWS DIGEST

## Estee Lauder heir invests in Slovenia TV

Central European Media Enterprises, the biggest investor in private commercial television and radio stations in eastern Europe, has launched the first independent national television service in Slovenia in a joint venture with two Slovenian media entrepreneurs.

The new network, POP TV, has been formed with Mr Marjan Jurencic, founder of MMTV, a Ljubljana-based broadcaster, and Mr Marjan Meglic, founder of Tele 58, which broadcasts in the northern part of Slovenia.

CME is controlled by Mr Ronald Lauder, one of the heirs to the Estee Lauder cosmetics fortune.

In Slovenia it has taken a 58 per cent stake in POP TV. It has also acquired 33 per cent of both MMTV and Tele 58, which hold local broadcasting licences in Slovenia, and which in turn each hold 21 per cent stakes in POP TV.

The new company will distribute programming and production services to television outlets throughout Slovenia, and will sell advertising.

CME said POP TV would initially be transmitted to 70 per cent of all households in Slovenia. This figure would rise after talks with other local broadcasters and cable operators.

Slovenia, the most developed of the six former Yugoslav republics, largely escaped the effects of the war in former Yugoslavia, when it won independence in 1991. It has the highest gross domestic product per head of any of the former east bloc countries.

CME estimates that television advertising in Slovenia grew by 28 per cent in 1994 to \$23m. Around 94 per cent of households have television, and cable penetration is around 40 per cent.

Kevin Dine, London

### Australia to buy new Hercules

Australia is to buy 12 of the new C-130J Hercules transport aircraft from Lockheed, the US defence company, and take options for up to two dozen more in a contract worth around A\$800m over five years, said Senator Robert Ray, the defence minister.

Senator Ray said the aircraft type had been "the backbone of defence's tactical and transport fleet for 30 years since the mid-1960s, and the new purchase will continue this arrangement".

The Royal Australian Air Force currently operates 24 C-130s, half of which were acquired in the late 1970s, and the remainder even earlier.

Nikki Tail, Sydney

### VW agrees magnesium deal

Volkswagen, the German vehicles group, and the Dead Sea Works, an Israeli chemical company, finalised a \$60m joint venture yesterday to extract magnesium from the Dead Sea. The deal was signed only after the Israeli government agreed to maintain a 38 per cent investment grant. The government had voted earlier this week to reduce grants to foreign investment in development zones to 34 per cent.

The Dead Sea Works will own 65 per cent and Volkswagen 35 per cent of the venture, which was announced in June. The first stage of the two-stage plant is planned to come onstream in 1997. The Dead Sea Works will supply the raw materials and Volkswagen will buy the magnesium under the accord's stipulations.

Mark Dennis, Jerusalem

Can you light up the sky without clouding the air?

Natural gas - affordable, safe and available - is an increasingly popular choice for driving turbines that generate electrical power all over the world. Although it

burns relatively cleanly, combustion does produce nitrogen oxide, implicated in acid rain. Abatement techniques have reduced emissions, but heightened awareness among the industrial nations continues to generate tighter legislative controls and the development of ecologically-sound power plants.

Conventional methods of controlling emissions are costly and dampen efficiency. However, ABB research has now developed a way to burn them off. It is a total solution, reducing pollutants while maintaining efficiency, thus consuming less fossil fuel. ABB has installed its innovative "EV-burner" in the Midland Cogeneration Venture, a joint project to produce power for the Dow Chemical Company and the State of Michigan, USA. At full power load, this plant is now producing emission levels well below the world's most stringent requirements.

As a leader in electrical engineering for industry and transportation, and in the generation, transmission and distribution of power, ABB is committed to industrial and ecological efficiency worldwide. We transfer know-how across borders with ease. But in each country, ABB operations are local and flexible. That means we can help our customers respond swiftly and surely to technological challenges which stretch the limits of the possible. Like burning gas without clouding the sky.

Yes, you can.

ABB Asea Brown Boveri Ltd., Reader Service Center, P.O. Box 822, CH-8021 Zurich

**ABB**



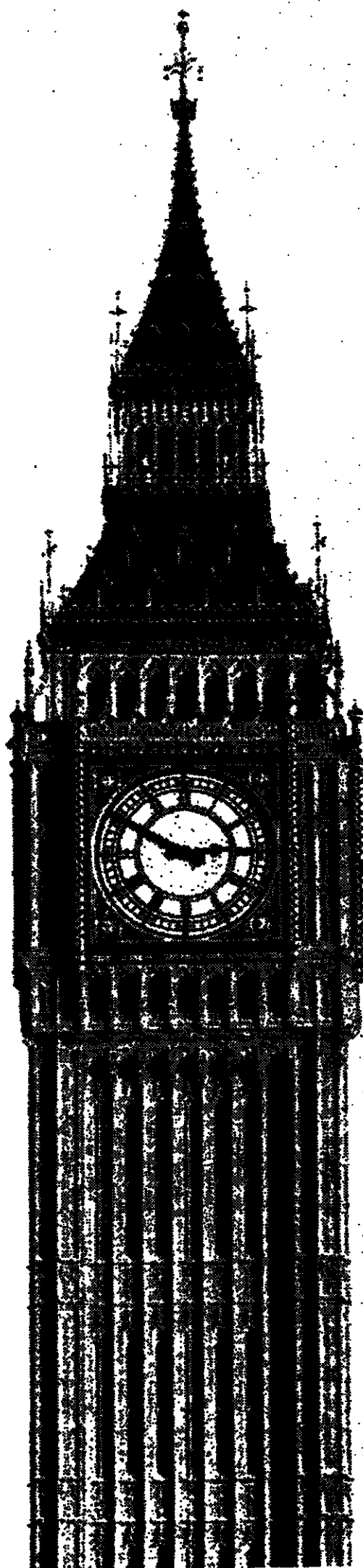
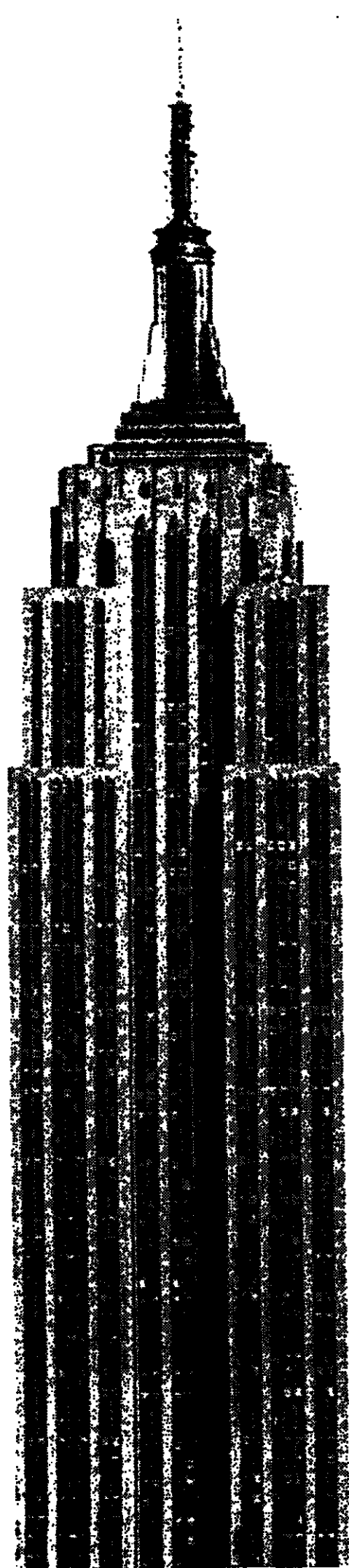


THE  
DOCUMENT  
COMPANY  
RANK XEROX  
Worldwide Sponsor

THE (create your  
Christmas card here

then revise  
it here

and print it here  
the same day) COMPANY



**X** Imagine creating documents in one time zone, editing them in another, and printing them in yet another. Well, it doesn't have to be a figment of your imagination; Rank Xerox can make it happen.

We can help you set up the kind of digital world-wide print and retrieval service you need to take last-minute changes and shifting business conditions in your stride. With Rank Xerox, you print the exact amount of documents you need, when you need them. Never less, never more. So

you don't have to warehouse or ship them around the world.

Rank Xerox, in alliance with other leading digital technology companies, makes all of this possible to anyone, anywhere in the world. The result is as always: a simpler way to do good work.

To shrink the world and expand your business horizons, call Rank Xerox at 0800 787 787.

THE DOCUMENT COMPANY  
RANK XEROX

© 1987 THE DOCUMENT COMPANY RANK XEROX  
Austria Belgium Bulgaria Cyprus Czech Republic Denmark Egypt Finland France Germany

مركز الوثائق



# Growth of 3.25% in Philippines law and order under fire

## An outbreak of kidnappings is posing problems for crime fighters, Edward Luce writes

By Nikk Tait in Sydney

Mr Ralph Willis, Australia's federal treasurer, painted a picture of a soft, but still growing, economy for the 1995-96 financial year when he released the treasury's updated budget forecasts yesterday.

Gross domestic product growth is forecast to be 3.25 per cent during the 12 months, against an estimated 3.75 per cent in the original forecasts in May. Headline inflation is predicted to emerge at 4.75 per cent, a significant upward revision from the previous 4 per cent figure.

On the labour front, unemployment is now reckoned to be about 8.25 per cent by the June year-end, against 8 per cent previously. The current account deficit has undergone a sharp downward revision: the forecast now stands at A\$21bn (US\$15.5bn) - A\$27bn last May - reflecting the recent pickup in export performance and the decline in

imports. The new figure would amount to about 4.5 per cent of GDP, from 5.5 per cent.

The slowdown in growth stems partly from a more modest rise in private consumption expenditure - 3.25 per cent against an estimated 3.75 per cent previously - and partly from a marked fall-off in business investment, reckoned to grow 8 per cent (13 per cent).

Mr Willis said the government still expected a nominal budget surplus during the year, but the figure is now put at A\$115m, compared with A\$718m when the 1995-96 budget numbers were first unveiled in May.

The original surplus was always somewhat problematic, as it was struck after sales of an estimated A\$5.85bn of assets. Many economists expected it would be replaced by a negative number in yesterday's mid-term review.

But the government has been helped by an early A\$1.9bn debt repayment from

the Victorian state government. Mr Willis indicated the new figures made the same assumptions as the May budget about the sale of the government's remaining 50.4 per cent stake in Commonwealth Bank (worth about A\$4bn).

Under the plan, part of the bank will be sold in 1995-96 but Mr Willis said no final decisions about the sale would be made until next year.

The new forecasts were generally in line with economists' predictions, but the relatively high inflation figure caused some raised eyebrows.

Mr Peter Costello, the opposition's economic spokesman, claimed the government's budgetary position had deteriorated by A\$2.5bn since May. "The reality is the mid-year review shows growth has turned down, business investment has turned down, prices are going up and unemployment is set to be worse than the government said it would be in the budget."

A spate of recent kidnappings and daylight shootings of prominent businessmen has raised a question over the Philippine government's ability to maintain law and order.

The rash of violent incidents, including the assassination in Manila last week of Mr Leonardo Ty, an octogenarian Chinese-Filipino businessman, comes three years after President Fidel Ramos gave priority to the fight against organised crime.

Since the president was elected to office in 1992, more than 600 kidnappings have occurred in Manila, 140 of them in the past few months.

According to Ms Teresita Ang See, who heads a Chinese-Filipino anti-kidnapping group and has been herself the target of several kidnappings, the past few weeks have seen a worrying resurgence of the phenomenon.

"To put it frankly, we are very frightened by what has been happening," said Ms See.

"Chinese businessmen are once again being gunned down in the street, relatives of leading Chinese-Filipino businessmen are being held to ransom, and the government doesn't appear to be doing anything about it."

American and European expatriate businessmen have also received kidnapping threats for the first time in years.

The most immediate worry is that the Chinese-Filipino community, which makes up about 2 per cent of the country's population of 68m but owns about 80 per cent of the stock market by capitalisation, could start expatriating money if the situation deteriorates.

The last time kidnapping rates hit these levels was in 1992. The central bank recorded serious "capital flight" problems that year.

Last week Mr Ramos announced a "war on terrorism" in what many see as a belated response to the recent crime wave. The president, who blamed this week's shootings on "leftist" groups, including the well-known Alex Bon-

cayo Brigade (ABB), said he would not allow the "terrorists" to undermine confidence in the country's economic recovery.

"Apparently the Ty killing signals a declaration of war by the terrorists and those involved in protection rackets."

"To put it frankly, we are frightened," says the head of an anti-kidnap group

such as the ABB, said Mr Ramos. "We are going to make sure they pay for these crimes."

The ABB took responsibility for the murder of Mr Ty, who was accused of mistreating workers at factories belonging to the family-owned Manila Paper Mills group. The ABB also took responsibility for the

attempted killing last week of Mr Ramon Chua, owner of Oriental Tin Can Manufacturing, which resulted in the deaths of his five-year-old nephew and a bodyguard.

Philippine business groups claim the problem goes far beyond splintering terrorism, citing evidence that rogue policemen and senior military figures are protecting kidnapping groups. This year alone, 100m pesos (\$4m) have been paid out to kidnappers by Chinese families. "They are even accepting cheques these days," said Ms See. "These groups are highly organised."

The Makati Business Club, the country's most influential private-sector group, told Mr Ramos recently that the perception that crime was getting out of control could affect business confidence and foreign portfolio investment.

The warning was backed by a survey of the country's top companies in which more than 90 per cent of executives polled said that crime and corruption constituted the most worrying problem facing the private sec-

tor. "It would be an enormous pity if the remarkable economic successes of the past few years were to be undone by a belief that crime is getting out of hand in the Philippines," Mr Bill Luz, Makati club chairman, said.

Another concern is that the resurgence of lawlessness could deter otherwise bullish foreign investors choosing the Philippines as a site for plant operations.

Japanese companies, who have doubled their investment there this year, are known to be particularly cautious about security problems. International economists point out that the Ramos administration has fulfilled two of the three critical objectives it set out to deal with in 1992.

These included solving an electricity shortage, which the government did, and political instability, which has likewise receded in memory. The third, lawlessness, seems to be as much of a problem now as before the economic turnaround began in 1992.

### INTERNATIONAL NEWS DIGEST

## Manila MPs approve budget

Members of the Philippines' House of Representatives yesterday approved a 394.8bn peso (\$15.1bn) budget for 1996, lower than the 414.5bn peso budget plan submitted by the government in July. "We are putting a lot of focus on the social reform agenda to make certain the benefits will trickle down to the masses," said Mr José de Venecia, House Speaker.

More funds were given to the agriculture department to help cope with severe supply problems which sent prices of rice, the staple food of the Philippines' 88m people, soaring in the third quarter of 1995. Rice prices surged to 26 pesos a kilo in August and September, from 13 pesos earlier in the year. Some 58bn pesos in the budget would go to help repay the country's debts. The budget is expected to be signed by President Fidel Ramos on December 28.

Reuters, Manila

## Cambodian prince into exile

Prince Norodom Sirivudh, half-brother of Cambodia's King Norodom Sihanouk, left his homeland yesterday after agreeing to go into exile rather than face trial on charges of plotting an assassination. Prince Sirivudh, 44, who denies plotting to kill Mr Hun Sen, co-prime minister, agreed to go into exile in France and was driven to an airstrip at Phnom Penh airport from King Sihanouk's palace.

He had been detained at the Interior Ministry for nearly a month before being handed over to the custody of King Sihanouk. He arrived yesterday in Singapore on a stopover, and travel agents in Phnom Penh said he was due to fly to Paris tomorrow.

On November 21, parliament voted 116-0 to strip him of his immunity from prosecution; he was unable to attend because of threats to his life if he left his home.

Reuters, Singapore

## US gives up Okinawa land

The US and Japan yesterday agreed on a small rectangle in the amount of land occupied by US forces on the southern Japanese island of Okinawa. The accord, by a committee of officials, for a 2 per cent reduction in the area used by US bases, over an underlined period, was pushed forward after the local outcry against the US presence sparked by last September's alleged rape of an Okinawan schoolgirl.

Three US servicemen are on trial. Yesterday's agreement brings to an end a five-year negotiation, which had run into delays over detail until last month, when senior defence officials of both sides called for a quick conclusion in the interests of assuaging Japanese public opinion.

Of the 47,000 US troops stationed in Japan, 30,000 are in Okinawa, the largest US base in Asia.

Yesterday's deal includes a communications station, an engineering office, part of an air base, a golf course and an ammunition depot. The timing of the return of the land to local owners will be arranged after further talks on the removal of equipment and the future use of the areas concerned, said officials.

William Dawkins, Tokyo

## Beijing cracks down on smoking

Beijing's municipal law-making body passed an ordinance yesterday banning smoking in enclosed public places from mid-1996, but half the city's adult men are smokers and there are doubts over how the new rules would be followed. The standing committee of the Beijing People's Congress banned smoking in hospitals, theatres, schools and public transport facilities from May 15 1996. Xinhua news agency said.

Individuals violating the ban could be fined 10 yuan (\$1.20). China's booming financial centre, Shanghai, north-eastern Shenyang, central Wuhan and south-western Chongqing have banned smoking in public places. Over the past two years, Beijing has outlawed firecrackers and limited private dog ownership in an attempt to improve safety and public hygiene.

China is the world's largest tobacco producing and consuming country. More than 350m smokers puff 150bn cigarettes every year, accounting for 30 per cent of the world's total.

The number of Chinese smoking is estimated to be rising by 2 per cent a year.

Reuters, Beijing

## Two S Korean ex-presidents charged over coup



Not police march round the police hospital where Chun Doo-hwan is on a hunger strike, to stop protesters getting in.

By John Burton in Seoul

Former South Korean Presidents Chun Doo-hwan and Roh Tae-woo were yesterday indicted on charges relating to a 1979 army coup, as the country's civilian administration sought to break ties with past military governments.

The indictment came hours after Mr Chun was rushed to a hospital after 18 days on hunger strike to protest at his arrest.

Mr Chun was indicted on six counts of violating military law, including planning the army coup, the death of several soldiers who tried to resist the coup, and attempting to kill superior officers.

Mr Roh, who went on trial this week on charges of corruption, was charged with aiding the coup. Both men face a possible death sentence for their activities, although it is unlikely to be imposed.

On the night of December 12 1979, Mr Chun, then a general in charge of the army security command, ordered the arrest of senior officers who, he claimed, had been involved in the assassination of President Park

Chung-hee two months earlier.

During the operation, several army units, including a division commanded by Mr Roh, attacked the defence ministry and army HQ. Several soldiers were killed and others wounded.

The two former presidents are also likely to be indicted concerning the subsequent military massacre of pro-democracy protesters in the southern city of Kwangju in May 1980. Parliament this week passed special legislation suspending the 15-year statute of limitations preventing the two men being prosecuted.

Lawyers for Mr Chun are expected to challenge the special law if he is convicted. Mr Chun may also face corruption charges for allegedly accepting bribes from businesses during his 1980-88 term.

Mr Chun has always maintained his actions in 1979 were justifiable to save the country from threatened political chaos.

Mr Chun has accused President Kim Young-sam of political expediency in ordering his arrest because, he claims, the action would boost Mr Kim's flagging popularity, damaged

by the scandal involving Mr Roh. Opposition parties allege Mr Kim accepted illegal political contributions from Mr Roh.

Mr Chun has fasted since his imprisonment and initially refused intravenous feeding after being brought to the national police hospital in Seoul. His relatives claim Mr Chun is pledged to starving himself to death rather than facing a public trial. The indictment provides the government with the right to force-feed him if he obeys.

Doctors yesterday described the condition of the former general as not serious, although he showed signs of dehydration and malnutrition.

Mr Chun is using the same tactics of protest as Mr Kim a decade ago when he staged a 25-day hunger strike after the then president ordered his arrest as a political dissident.

The hunger strike by Mr Chun is winning little public sympathy, except among his most loyal supporters. His refusal to apologise for his rise to power is regarded as reflecting the arrogance that made him the least popular, although the most feared, of South Korea's seven presidents.

## Thais to limit luxury spending

By Ted Bardecke in Bangkok

Thai monetary authorities plan to curb short-term capital inflows and limit consumer spending on luxury items, in a continuing effort to stop the economy overheating. Mr Vithit Singhit, central bank governor, said yesterday.

The measures, to be introduced over the next month, are to include doubling the monthly income required to qualify for a credit card, new restrictions on hire-purchase schemes for dearer cars, and extending to finance companies the 7 per cent reserve requirement on non-resident bank accounts, introduced for commercial banks earlier this year.

Other measures seeking to damp short-term capital inflows will be announced in the coming weeks.

The moves would cause inflation to fall to 4.9 per cent in 1996, against 5.8 per cent in 1995; the current account will be reduced to 8.5 per cent of gross domestic product from 7.1 per cent in 1995. Economic growth would slow to 8.3 per cent in 1996, down from 8.6 in 1995 and 8.8 in 1994.

The official estimates announced yesterday for 1996 inflation and the current account deficit are more optimistic than those issued recently by several private institutions. Mr Vithit said the

central bank figures are also official targets and take into account policy measures regulators plan to introduce.

"Financial liberalisation does not mean authorities become inactive," Mr Vithit said. "Inflation and the current account deficit necessitate a continuation of our high interest rate policy; in 1996 we will see less focus on interest rates and more on capital inflows."

The bank also plans to change the classification of offshore lending, now the preferred means of foreign direct investment, from short-term to long-term. Once this change is made, the bank claims 61.5 per cent of all capital inflows will be "high-quality".

Crosby Securities estimates long-term capital makes up over 65 per cent of all capital inflows to Thailand.

Other 1996 estimates released by the bank yesterday show an economy bolstered by the induced slowdown. The bank said export growth, pegged at 17.4 per cent, will overtake import growth, forecast to be 15.1 per cent, thus reversing this year's trend where high investment and strong consumer demand led imports to rise faster than exports.

Deposit growth at 15.5 per cent will get closer to matching loan growth at 21 per cent. The government will also run a surplus of nearly Bt102bn (\$4bn), 2.5 per cent of GDP.

## Japan storm over reactor cover-up

By Eniko Terazono in Tokyo

Japan's state-owned nuclear reactor operator faced heightened criticism yesterday over an apparent attempt to cover up the damage caused by a leak at Monju, the country's largest reactor.

The Power Reactor and Nuclear Fuel Development Corporation (PNC) apologised for withholding video footage of the damage caused by a leakage of sodium coolant earlier this month at Monju, shut after the accident.

The fast breeder reactor burns highly radioactive plutonium to create more plutonium, and is the centrepiece of Japan's nuclear policy along with Rokkasho, a nuclear com-

plex in north Japan.

"We deliberately cut the video because the sodium leak was greater than imagined," said Mr Hiroshi Oishi, head of PNC. The company had initially claimed it had only four minutes' footage of the damage within the reactor, which was disclosed to the local government and the media.

But, after being questioned by local officials, the operator admitted it had withheld 15 minutes of video coverage which showed heavy damage of the reactor's cooling pipes.

The government expressed anger over the disclosure. "It's a deplorable situation," said Mr Shirohiko Ogura, head of reactor regulation at the Science and Technology Agency

(STA). The company has already angered local residents and the government by failing to report the accident immediately it happened.

Monju, named after the goddess of wisdom, was scheduled to start full operations next June, but the government has said the reactor will not be restarted until confidence among local residents is restored. Local government officials and residents are calling for permanent closure.

If further controversy arises over the Monju accident, the government is unlikely to be able to justify its expensive plutonium programme when prices of nuclear fuels and crude oil are easing.

The government has been

criticised for the high programme costs, while plutonium shipments to Japan from the UK and France, which reprocesses Japan's nuclear waste, have also sparked an international outcry.

Germany and the UK have already abandoned their fast-breeder reactor programmes because of technical problems; France's fast-breeder reactor, the Super-Phénix, has been inoperative since a similar sodium leakage in 1990.

The STA faced a cut in its budget for operating Monju for the next fiscal year after the accident. The agency had been requesting a budget of ¥21.6bn (\$211.7m), but was only allotted ¥19.2bn to cover maintenance and repair costs.

## Attempt to block housing loan outcry

By Gerard Baker in Tokyo

Japan's government moved yesterday to head off a storm of popular protest against the announcement of its plan to use public funds in the bailout of the country's bankrupt housing loan companies.

Ministers and officials said full investigations would be conducted into the causes of the financial debacle that gave rise to the bailout. Those responsible could expect to be "pursued vigorously".

The comments came as business leaders and politicians began to attack the scheme,

agreed on Tuesday, which will give at least ¥685bn (\$6.7bn) of public money towards liquidating the companies, set up by Japan's leading banks 20 years ago. The mortgage lenders have been bankrupted by huge non-performing loans caused by reckless lending during the "bubble economy".

Mr Masayoshi Takemura, finance minister, appeared to suggest he might take ultimate responsibility himself for the unpopular move. "I will blame myself strictly," he told a conference of business leaders.

The price of such blame in Japanese political and business

life is usually resignation, but Mr Takemura did not say he would step down.

Premier Tomiichi Murayama said all those that might have been responsible for the housing loan scandal would be scrutinised. The companies themselves, the financial institutions that lent to them and the customers that borrowed from them would receive special attention.

Earlier, members of the largest coalition party, the Liberal Democrats, called for punishment for any finance ministry officials and ministers who might have failed to supervise

the institutions properly.

The government will have a difficult task persuading the public of the merits of using their money to support troubled financial institutions. A taste of the popular opposition came yesterday from Mr Kosaku Inaba, chairman of the Japan Chamber of Commerce.

He described the decision as an "unprecedented mistake".

"The government must disclose all detailed information to clarify how the deplorable problem arose, who was responsible and what should be done to prevent its recurrence," he declared.

12/22/95



**AT&T**  
Global Information  
Solutions



**Merry Christmas to all our customers  
and best wishes to those on their way.**



## MANAGEMENT

The best teachers are often the ones who learnt the hard way. Ten years ago executives at Bostrom, a UK vehicle seats maker, pored over videos imported from the US to become one of Britain's most noted exponents of "just in time" manufacturing techniques - making parts only when needed.

Now Bostrom is putting the flow of ideas into reverse through a 44 per cent strategic stake in National Seating, a Tennessee-based vehicle seats company into which it is transferring its "lean" production concepts. Bostrom also intends to use the company as a production base for increasing sales in the US of its own products - a large proportion of which are complementary to those of National.

While roughly half of Bostrom's \$25m sales likely this financial year will be seats for heavy work vehicles, National is one of the US's two biggest makers of seats for large "road train" trucks.

Even though neither company has much of a presence in each other's home territory, put together their operations seem large. The two are thought to account for roughly a quarter of the \$450m (\$300m) a year combined European and North American market for seats for large work vehicles.

Competitors include Grammer and Irsinghausen of Germany, and Sears Manufacturing and Johnstown American Industries (owner of an unrelated US company called Bostrom), both of the US. Bostrom's adoption, and transfer across the Atlantic, of "just in time" production ideas illustrates how manufacturing techniques can become a strategic commercial tool. Colin Howell, Bostrom managing director, is the man behind the link with National - in which the publicly quoted Bostrom has an option on taking a majority stake in the next year or so.

A former apprentice engineer who has been with Bostrom since 1981 and previously worked in management with GEC, Tube Investments and SKF, Howell is the biggest shareholder in Bostrom, owning 11.6 per cent. He sums up his view of business: "If I can't be the best in what I'm doing, I won't do it. I don't want to be a bloody also-ran."

Transferring production ideas to the US from Northampton-based Bostrom - whose main seat-making subsidiary is RAB Seating - is the job of Vernon Lowe, a business associate of Howell whose previous employers have included UK engineering companies Adwest, Williams Holdings and Austin Rover. Lowe has become National's acting chief executive, taking over shortly after Bostrom bought its stake in August for \$5m. It also took on an undisclosed amount of

PM GOING TO SACK EVERYONE WHO'S LATE FOR THE MEETING ON JUST IN TIME PRODUCTION, MISS FROBISHER



## Lean times

A UK vehicle seats maker is exporting its production techniques to the US, says Peter Marsh

debt believed to be more than \$10m. Previously National - which has its main plant in Knoxville and four other "satellite" factories in Kentucky, Washington State, Virginia and Oklahoma (which feed finished seats to truck factories run by Ford, Volvo and Kenworth) - had a chequered history.

After a spell under the control of a series of large US industrial companies, National was bought by its management in 1989, leaving the company with heavy debts. The company has expanded quickly since 1991. Its annual sales have grown from \$22m to \$66m last year, but says its president Don Kegley, has lacked the production methodologies to expand effectively.

Kegley, who has been with National since 1983 and owns about 3 per cent of the company, says in recent years it has been pre-occupied with meeting demand.

"We've fed our factories with orders, rather than work on our operating methods," he says. Bostrom's production ideas helped persuade National's managers and employees - who own the 56 per cent of the business in which Bostrom does not have a stake, some of this through a trust - to agree to Bostrom taking a stake.

Lowe is enthusiastic about the way most managers and workers at

National have responded to his arrival. "It is a super business but it has had too many chiefs and not enough Indians," he says. As part of Lowe's cost cutting drive, about 100 of the 720 employees at National lost their jobs in the summer.

The acting chief executive is working on a way of introducing Bostrom-derived concepts into the five National Seating plants, including standardisation of parts and working methods, a company-wide computer system for tracking stock and a Japanese-style Kanban system for controlling production flows. He is talking to National Seating's 50 or so suppliers to persuade them to switch to more frequent deliveries (two or three times a week rather than weekly) to fit in with just in time concepts.

Lowe plans to spend a modest amount - about \$4m - on capital equipment in the next three years to support his plans. He is also switching plant layouts to emphasise "team-based" production concepts in which small groups of workers have responsibility for making complete products.

Lowe is in many ways repeating the processes which Bostrom installed in its Northampton plant in the late 1980s. One big difference is the potential problems ahead for

National as it tries to introduce just in time methodologies across the vast distances in the US separating its five plants and those of its customers and suppliers.

In the mid 1980s, Bostrom learnt about these methods by studying how specific US companies including Bendix, a machine tool maker, had taken on "lean" production methods. "We spent hours watching videos showing their methods," says Don Lorraine, RAB Seating's managing director.

After a slump in earnings during the recession, in the two years to last year Bostrom quadrupled pre-tax profits to \$4.1m on sales rising from \$24.3m to \$66m. Some of the efficiencies in the company's production of "work vehicle" seats - it also makes metal pressings and car seats - show up in its good record in exporting to south-east Asia, where customers include Caterpillar, Komatsu and Samsung.

But a priority for the next few years will be the link with National. While Howell cautions about expecting quick results, Lowe has set himself a challenging target on National's production techniques: "In five years I want to bring [to the Knoxville plant] a Japanese manufacturing expert on one arm and a German on the other and watch while their eyes pop out."

## In search of the core of the company

Tom Lloyd argues that the essence of an organisation lies in the abstract qualities of culture and ethos

Companies are collections of assets and activities, many of which have been accumulated through a series of historical accidents, with little rhyme or reason apart from the old-fashioned belief that things are done better "in house". That this Anglican legend is in need of a thorough, Herculean cleansing, is now generally accepted.

This pruning of company legacies is designed to reduce firms to their essences or "cores". But what is the core of a firm? What assets, activities, processes, people, or relationships are absolutely vital?

Is there a marginal asset, process or activity, the presence of which means a firm exists and the absence of which means it does not, and if so, how can these "essences" be identified?

Without answers to these questions, company leaders cannot judge what and what not to outsource, whether to seek access to "competences" or markets through partnerships and alliances or to develop them "in-house" and what assets to buy and what to sell.

"Core" clearly has nothing to do with origins, or longevity.

Originally US telephone giant AT&T made the device invented by its founder, but last September AT&T announced it would sell this business, and its younger computer and financial services operations, to concentrate on network services.

Perhaps "cores" consist of irreducible portfolios of assets.

Over the past five years, BP Exploration has outsourced off-shore logistics (supply boats, and marine services) to ASCO, computer services to SAIC, Synco and Sema, and accounting services to Arthur Andersen. Each of these deals has involved a substantial transfer of employment to sub-contractors, and many more mundane activities, such as office and reprographic facilities, catering and cleaning, have also been "put out", as the then standard practice of outsourcing was known during the industrial revolution.

"It was inspired by a drive to

improve performance" a company spokesman explained. "If others are better placed and better set up than us to manage a process, we ask them to do it. We would never say a certain activity will never be outsourced."

The process priming at BP Exploration has been accompanied by a radical re-structuring of the company. The old hierarchy of functions and tiers has been replaced by a "federation" of 42 "assets" including producing fields, exploration projects and transportation systems, each with an "asset team" accountable directly to the board.

"The core is what we're good at" the spokesman explains. "BP is out of coal, minerals and nutrition. In 1989, we operated in 30 countries. Now we only operate in 10."

But why 42 assets, and why these 42? Perhaps "cores" consist of competences, as C. K. Prahalad and Gary Hamel argue in *Competing for the Future*.

According to this view, companies are portfolios of processes and although many can and should be outsourced, some are so important, they must be seen as comprising the kernel.

A few years ago, bank chief executives were saying "money is information. We are an information company. Everything else is extraneous or incidental."

Now they are outsourcing IT services. Swiss Bank Corporation is outsourcing computer systems management at its SBC Warburg investment bank to Perot Systems, in a £133m deal involving the transfer of a third of Warburg's employees. SBC says that, to ensure client confidentiality, it will keep control over security-related IT functions, and that the key to the alliance is to distinguish between IT processes which are "proprietary" and IT processes which are "commodities".

But what if another company could do the "proprietary" stuff better than you, and offered to do it for you? You would be doing your shareholders a disservice if you rejected such an opportunity

to lower your cost of doing business. Indeed, the more vital process is to the business, the more vital it is that it should be "best in class".

When a company leader embarks on a "re-focusing" programme, he or she usually has a good idea of what the "core" of the firm is. "We have to recognise that we're a marketing company," the leader declares. "Our strength is in our brands, and our efforts must be devoted to building on that strength." Armed with this "core" insight, the leader will sub-contract design, product development, manufacturing, finance and distribution, in the belief that retaining such "non-core" activities will distract the organisation from its primary goal.

But how did the leader know marketing was the core? A declared leader might have declined, equally plausibly, that "we are, first and foremost, a distribution company; our strength is in our network of distributors, and we must build on that strength."

Some years ago, UK brewers had to decide between manufacturing and retailing. Some went one way, and some the other, and no-one can say which way was "right".

If the same company can be plausibly reduced by two different leaders to two different "cores", we must conclude "core" is in the eye of the beholder. When leaders say the company's "core" is marketing, or distribution, they are not revealing objective truths, they are simply choosing prisms on which to hang their strategies.

The danger of the "core" concept is that to declare an asset or process "core", and dispense with the rest, is to deny the firm opportunities to develop in other directions. And in an unpredictable world, where flexibility is at a premium, there is a lot to be said for a range of strategic options.

If companies have "cores", they reside in abstract qualities like culture, ethos and customer constituencies, where it is often hard to distinguish the baby from the bath water.

### BUSINESSES FOR SALE



## College Crackers Limited (In Administrative Receivership)

The Joint Administrative Receivers offer for sale the business of College Crackers Limited, a manufacturer of Christmas crackers and together or separately its division manufacturing retail display decorations, known as 'Robidex'.

Principal features include:

- Consolidated turnover of £4.7 million
- Factory/office premises in Merthyr Tydfil
- Skilled labour force
- Network of outworkers
- Manufacturing equipment

For further information contact: The Joint Administrative Receiver, PW Wallace, KPMG, 20 Farringdon Street, London EC4A 4PP. Tel: 0171 311 1000. Fax: 0171 311 3607.

KPMG Corporate Recovery

### BUSINESSES WANTED

**Manufacturer Wanted**  
Seeking mfr. to market & build under US patent license, "Kar-Kool", uses no freon or gasoline. Keep vehicle cool while parked & in transit, low tooling costs.  
USD \$10K, Non-exclusive  
USD \$100K, Exclusive  
Call USA 602-235-2218

### PERSONAL

"CHRIST DIED" to save you from your sins  
For a free booklet, please write to: Box B3933, Financial Times One Southwark Bridge, London SE1 9PL.

Appear in the Financial Times on Tuesdays, Fridays and Saturdays.

For further information or to advertise in this section please contact:  
Lesley Sumner on +44 0171 873 3309



APV RT.  
HUNGARIAN PRIVATIZATION  
AND STATE HOLDING COMPANY

## INVITATION TO BID

1. The Hungarian Privatization and State Holding Company (hereinafter: "APV RT.") H-1133 Budapest, Újpesti rakpart 31-33, invites a one round open tender for a nominal capital increase of at least USD 15 million of OAM Őzdi Acélművek Kft. - Steel Works of Őzdi - (hereinafter: "Company"). H-3600 Őzdi, Bajcsy Zsolt utca 5. (Trade Register no: 05-09-002456) and for the purchase of a stock necessary to gain management control (50 percent plus one vote) in the Company with the increased share capital.

Nominal capital of the Company: HUF 2,727,540,000  
Equity of the Company: HUF 3,828,000,000  
Ownership structure: APV RT. 100%

2. The tender invitation is aimed at a capital infusion and business share sale so that the necessary developments, technological upgrades required for the effective operation of OAM Kft., in full APV RT. ownership, and the necessary investments for the setting up of a new steel production basis (mini mill) be realized. To this end, bids can be submitted:

a) for the increase by a minimum of USD 15 million of the actual nominal capital of the Company and for the buy-out of APV RT.'s business share, so that the tenderer become owner of the Company with a share of 50 percent plus one vote of the increased nominal capital, which is the minimum requirement for exercising management control,

b) for the increase of the nominal capital of the Company to an extent exceeding the minimum increase, whereby the tenderer acquires a minimum of 50 percent plus one vote,

c) for the increase by a minimum of USD 15 million of the nominal capital of the Company and for the purchase of a maximum of 85 percent of APV RT.'s business share with par value of HUF 2,318,409,000

by indicating the extent of the capital increase and the bidding price quoted for the par value of APV RT.'s business share to be acquired.

d) Pursuant to the relevant law 15 percent of the subscribed capital with par value of HUF 107,131,000, that is four-hundred-and-nine-million-one-hundred-and-thirty-one-thousand Hungarian forints, APV RT. shall offer for sale to the Company employees at 50 percent of the price rate quoted by the winning tender, following the closing of the tender. Employees may exercise their option within one year from the announcement of the offer.

3. Bids shall be submitted to the address indicated, in an unmarked envelope, in five copies, in Hungarian. Foreign bidders may submit their bids in English, as well, but even in this case the Hungarian version shall rule. Bids shall be submitted personally or by a proxy in the presence of a notary public until the stipulated deadline. "PALYAZAT ŐZDI ACÉLMŰVEK Kft. privatizáció" must be written on the envelope.

4. Bidders shall mark the original copy of their bid with the inscription "ERŐNYETI". If the bidder fails to do this, the Call

will choose one from the copies arrived, which will function as the original. Should there be any discrepancies in the copies the contents of the copy so marked shall rule.

5. Date of submission: February 15, 1996, between 13.00 and 14.00 hours

Place of submission: Offices of the APV RT. (H-1133 Budapest, Újpesti rakpart 31-33., 8th floor, room 806.)

6. Financial conditions of the bid, terms of payment: The capital increase and the price of the business share to be acquired can exclusively be paid in cash. The bidder shall pay the capital increase and the purchase price of the business share in full in cash or by transfer in 15 days from the date the sales contract takes effect. The bidder shall make a declaration to this effect.

Foreign bidders may only bid in a convertible currency accepted by the National Bank of Hungary (MNB). Such a bid shall be taken into account by the Call at the purchase rate officially published by the National Bank of Hungary (MNB) at the time of the deadline for submitting the bids. Further conditions and requirements of the capital increase and the purchase of the business share are included in the detailed tender conditions.

7. Bidders shall undertake to maintain their bid for 120 (one hundred and twenty) days from the deadline for the submission of bids.

8. To prove their intention to purchase, bidders shall deposit HUF 30,000,000 as retention money in HUF or in foreign currency at the buying rate published on the day of the deposit by the National Bank of Hungary (MNB) to the account opened by APV RT. with the Hungarian Foreign Trade Bank Ltd. (MKB Rt.). The Call shall dispose of this sum in line with the rules on retention money.

9. After the evaluation, the final decision shall be made by the Call. The Call reserves the right to declare the tender unsuccessful.

10. The detailed tender documents and the detailed information memorandum prepared by the Company including the major economic data constitute an integral part of this tender invitation. The submission of the bids is subject to the purchase of the information booklet, entitled "Őzdi Acélművek Kft. Privatizációs Információs Dokumentum" (Information Memorandum of the Privatization Tender of Őzdi Acélművek Kft.) for HUF 40,000 for Hungarian residents and for USD 300 for non-Hungarian residents, against the presentation of a declaration of secrecy.

11. From the date of the publication of the tender invitation, information on the main data and features of the Company can be obtained from:

Mrs. Margit Jaksa Somogyi, APV RT. H-1133 Budapest, Újpesti rakpart 31-33, phone: (36-1) 267-6649.

### LEGAL NOTICES

INSOLVENCY ACT 1986  
NABARRO NATHANSON

NOTICE IS HEREBY GIVEN pursuant to Section 10 of the Insolvency Act 1986 that a meeting of the creditors of the above named company will be held at Kings House, 30/31, Farringdon Street, London EC4A 3DF, on the 26th January 1996 at 11.30am for the purpose of appointing a Liquidator and of approving a Liquidation Committee. Any person to be appointed as a Liquidator must be a member of the Institute of Chartered Accountants in England and Wales or a member of the Institute of Chartered Accountants in Scotland.

NOTICE IS ALSO given that, for the purpose of carrying out their duties, the Liquidators have the right to require the company to provide them with such information as they may require in connection with the liquidation of the company, and to require the company to provide them with such information as they may require in connection with the liquidation of the company.

A list of the names and addresses of the creditors of the above named company may be inspected at the office of Kings House, 30/31, Farringdon Street, London EC4A 3DF, between the hours of 10.00am and 4.00pm on the two business days preceding the meeting.

Dated 19 December 1995

For and on behalf of NABARRO NATHANSON, a Director of Nabarro Nathanson Limited

W S Munn, Corporate Director

To Advertise Your Legal Notices

Please contact Tina McGorman on

Tel: +44 0171 873 4842

Fax: +44 0171 873 3364

No. 606193 of 1995  
IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION

IN THE MATTER OF LONDON SMALLER COMPANIES INVESTMENT TRUST PLC

IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the order of the High Court of Justice (Chancery Division) dated 15 December 1995 confirming and allowing the application of the Liquidator of the above named company for the appointment of a Liquidator and of approving a Liquidation Committee, is hereby published.

Dated this 22nd day of December 1995

LUNDAUER & PAINES (BD)

30/31 Farringdon Street, London EC4A 3DF

Tel: 0171 873 3364

BANDT plc

By Interlocutor dated 8th December 1995 the Court Session confirmed the cancellation of capital and share premium account resolved on by Special Resolution of Bandt plc passed on 26th June 1995. A certified copy of the Court's said Order, together with relative Understanding and Minute were registered with the Registrar of Companies at Edinburgh on 12th December 1995.

Dundas & Wilson, CS, Edinburgh, Solicitors for Bandt plc

No. 606193 of 1995  
IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION

IN THE MATTER OF LONDON SMALLER COMPANIES INVESTMENT TRUST PLC

IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the order of the High Court of Justice (Chancery Division) dated 15 December 1995 confirming and allowing the application of the Liquidator of the above named company for the appointment of a Liquidator and of approving a Liquidation Committee, is hereby published.

Dated this 22nd day of December 1995

NABARRO NATHANSON

30/31 Farringdon Street, London EC4A 3DF

Tel: 0171 873 3364

Ref: BA007B1545/97

D L LUNDAUER & PAINES LIMITED

(IN ADMINISTRATIVE RECEIVERSHIP)

NOTICE IS HEREBY GIVEN pursuant to Section 482B of the Insolvency Act 1986 that a meeting of the creditors of the above named company will be held at Kings House, 30/31, Farringdon Street, London EC4A 3DF, on the 26th January 1996 at 11.30am for the purpose of appointing a Liquidator and of approving a Liquidation Committee. Any person to be appointed as a Liquidator must be a member of the Institute of Chartered Accountants in England and Wales or a member of the Institute of Chartered Accountants in Scotland.

NOTICE IS ALSO given that, for the purpose of carrying out their duties, the Liquidators have the right to require the company to provide them with such information as they may require in connection with the liquidation of the company, and to require the company to provide them with such information as they may require in connection with the liquidation of the company.

A list of the names and addresses of the creditors of the above named company may be inspected at the office of Kings House, 30/31, Farringdon Street, London EC4A 3DF, between the hours of 10.00am and 4.00pm on the two business days preceding the meeting.

Dated 19 December 1995

For and on behalf of NABARRO NATHANSON, a Director of Nabarro Nathanson Limited

W S Munn, Corporate Director

No. 606193 of 1995  
IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION

IN THE MATTER OF LONDON SMALLER COMPANIES INVESTMENT TRUST PLC

IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the order of the High Court of Justice (Chancery Division) dated 15 December 1995 confirming and allowing the application of the Liquidator of the above named company for the appointment of a Liquidator and of approving a Liquidation Committee, is hereby published.

Dated this 22nd day of December 1995

NABARRO NATHANSON

30/31 Farringdon Street, London EC4A 3DF

Tel: 0171 873 3364

Ref: BA007B1545/97

D L LUNDAUER & PAINES LIMITED

(IN ADMINISTRATIVE RECEIVERSHIP)

NOTICE IS HEREBY GIVEN pursuant to Section 482B of the Insolvency Act 1986 that a meeting of the creditors of the above named company will be held at Kings House, 30/31, Farringdon Street, London EC4A 3DF, on the 26th January 1996 at 11.30am for the purpose of appointing a Liquidator and of approving a Liquidation Committee. Any person to be appointed as a Liquidator must be a member of the Institute of Chartered Accountants in England and Wales or a member of the Institute of Chartered Accountants in Scotland.

NOTICE IS ALSO given that, for the purpose of carrying out their duties, the Liquidators have the right to require the company to provide them with such information as they may require in connection with the liquidation of the company, and to require the company to provide them with such information as they may require in connection with the liquidation of the company.

A list of the names and addresses of the creditors of the above named company may be inspected at the office of Kings House, 30/31, Farringdon Street, London EC4A 3DF, between the hours of 10.00am and 4.00pm on the two business days preceding the meeting.

Dated 19 December 1995

For and on behalf of NABARRO NATHANSON, a Director of Nabarro Nathanson Limited

W S Munn, Corporate Director



## ARTS

## The Cinderella season

This year sees new ballet and theatre versions of the perennial favourite

For dance-lovers faced with a choice between a debilitating Nutcracker on the South Bank, or the Royal Opera House's descent into balletic infantilism, let me suggest a somewhat cheerier alternative during the holiday period: London City Ballet's *Cinderella* in the autumn, and I reported on it from Woking at the time. The version is by Matthew Hart, still only 32 years old, and it is probably as agreeable a way of watching dancing in this bleak mid-winter as any you will find.

Hart is a soloist with the Royal Ballet, and his choreography and production must be recognised as a real achievement, and one made under the difficult circumstances of avoiding Ashton's master-version (in which Hart has danced). Of course, the Prokofiev score – surely his finest for ballet – dictates action which Hart, like Ashton, has had to follow. In trying not to

be a page to Ashton's Wenceslas footprints, Hart has been generally astute, and his immaturity as a producer does not cloud his cleverness with stage. (I was ever thus: young choreographers make masses of steps but don't know how to use them. Old masters do vastly more with vastly less.)

Hart, at his best – and this is in the ballroom scene – has set action clearly and feistily within dance sequences. *Cinderella*'s arrival at the ball, her first sight of the Prince, her separation and eventual meeting, are well placed in the fabric of the general dances. Characterisation – and this is surprising with a choreographer whose own danced portraits are lively and subtle – is

less convincing. *Cinderella* tends towards anæmia of the emotions. Amanda Armstrong, whom I saw on Wednesday as the wait, is a charming dancer but she cannot surmount certain blankness in the role, and her family (not the ideal Christmas guests) are undevoutly malleable. Nor was Wednesday's prince, Francois Villiech, able to make any bricks, choreographic or dramatic, with the straw on offer. I wish that Hart had copied Ashton in one respect: an edited score, with some repeats, and a few numbers excised, would be more conducive to liveliness in step and feeling.

But the production makes sense, and has a winning way with it. LCB's boldness in using Matthew Hart has been repaid both in staging and in the roles it offers ever-willing dancers. Hart has not betrayed a wonderful score, nor has he fudged a massive challenge. We have much to hope for from him.

## Clement Crisp

The whole of Battersea Arts Centre's *Cinderella & The Coat of Skins* company were still hammering away at their set the night after the show was supposed to open. Then they apologised for the performance being only an "open dress rehearsal". It went up 40 minutes late (or 24 hours and 40 minutes, to be precise). And

on the programme, the sound operator is credited "TBA". This sense of occasion on the fringe can be invigorating as long as aspiration is met by some sense of achievement. The ambitious co-production between the BAC and director James Menzies-Kitchin's inexperienced company, *Hysteria* Passio, seems to underachieve. It sounds like a traditional Christmas show, but in this *Cinderella* there are no pumpkins, slippers or Buttons. And, to be honest, you do miss that magic.

We are told that the writer Peter Oswald has rummaged his Brothers Grimm edition and amalgamated the dark stories of the *Cinderella* character, Ashleppath. Pleading from

the uncomfortably incestuous demands of her father-king, wearing a coat sewn from the hide of every creature in the kingdom, *Cinderella* is captured in the forest by the neighbouring evil Queen, Belinda. But Oswald spares no time for the psychological anxieties and sexual awakening you would expect from a growing princess in a Freudian forest. He whisks her straight off to Belinda's scullery, never to see the light of day until... the Prince holds a ball. She has one. You know the rest.

There are some witty touches: two ugly sister characters in the scullery protest "only we're not sisters – and I'm not ugly"; there is an amazing cameo from Julian

Rivet as a kitchen boy who believes he is a chicken – why? Who cares when it is so successfully silly? But there is also ineptitude, such as making Belinda so raucous that she makes Cruella de Vil seem like your fairy godmother.

Twelve energetic performers work well together as a scratch ensemble. Billie-Claire Wright, in the thankless role of goody-two-shoes Cinders, is outdone for loveliness by an unexpectedly moving Prince, newcomer James Kemp. But the play is dissatisfying, unforgivably unappealing to youngsters and older children will find it too finicky. Is it tough? In the spirit of the circumstances in this production, we will just have to leave that TBA.

## Simon Reade

*Cinderella* is at Sadler's Wells Theatre, London EC1, until January 6, and at the BAC, London SW11 until January 13 (0171 233 2233).

Concert  
Beethoven's  
Missa  
Solemnis

The Royal Albert Hall's Christmas Festival is nothing if not wide-ranging – from a "Teddy Bears Concert" and "The Glenn Miller Orchestra" to Beethoven's *Missa Solemnis* on Sunday night, in which Roger Norrington conducted the BBC Symphony Orchestra and Chorus.

Beethoven intended this, his most profound choral work, for the entrenchment of his friend and pupil, the Archduke Rudolph of Austria, as Archbishop of Olmutz; but he finished it three years after the ceremony, having worked on it at the same time as his Ninth Symphony. The Mass had its first complete performance at a concert in St Petersburg, and the concert hall has been its home ever since.

Yet, for all its moments of drama, the *Missa Solemnis* is no more secular in feeling than the Viennese Masses of Haydn and Mozart. It is deeply contemplative, aspirational and philosophical, with a similar lofty mood in its long sections of polyphony as Beethoven's late string quartets.

The ending of the Agnus Dei, the Mass's conclusion, leaves, superficially, a sense of anticlimax – you do not feel like clapping after it, and the applause on Sunday night was desultory and unwilling. But the impression is only superficial, and on a deeper level, the effect is of consolation and peaceful resolution.

This was a very good performance, thoroughly prepared and confident at every tricky change of mood and tempo. The chorus could afford to sing lightly and with restraint because they were so numerous; yet they did not sound woolly, or slightly dull and under the note, as large choruses often do.

Beethoven cast a quartet of solo singers as individuals who emerge from the chorus, momentarily narrowing the focus, instead of giving them complete, separate numbers. The effect is magical, and the soprano Amanda Halgrimson, a bit wobbly, shone on high, as did the sweet and youthful, yet splendidly incisive tenor, Steve Davislim, who replaced the indisposed Hans Peter Blochwitz.

The mezzo-soprano Sarah Walker was her usual characterful self, her rather throaty sound a bit small and lightweight in this context, while the bass Alistair Miles was pleasingly steady and devout-sounding, totally without self-promoting bluster.

The orchestra played well. In the Sanctus, the slow, austere interlude for the lower strings following the *Ossana* was almost free of vibrato and deeply moving, and leader Michael Davis wove his long, looping solos surely through the contented amble of the Benedictus.

## Adrian Jack

Sponsored by Raymond Gubbay and the Daily Telegraph

## Pantomime/Antony Thorncroft

## Jack and the Beanstalk

Nostalgia for the perfect pantomime bites hard at the imagination of the mid-decade, at this time of year. How wonderful to once again ogle the principal boy, back-chat with the stars on stage, and leap for the sweets thrown into the stalls. High were the hopes of the sizeable band of City-looking types in the audience at this most respected of local pantos. They were considerably dampened by the finale.

For the Theatre Royal, Stratford East stays cosily close to its roots. It is a politically-correct theatre in a depressed part of London and obviously thinks that such staples as long-legged cross-dressers and conspicuous consumption of confectionery would be insulting to its customers. There was, however, audience participation and, thankfully, the wise guys were put in their place.

"Tell us a joke," brayed one pin-stripe as Jack (Robert McKewley) whiled away time for a scene change. "You're good looking," responded the likeable McKewley. The heckler came back for more, to be summarily silenced: "If you wanted to be in the show you should have come to rehearsal". Unfortunately such excitement

were few in this low-key panto. There just was not enough fun, sparkle, glamour, danger. Everything seemed rather perfunctory, with only McKewley prepared to enjoy his work. Even the villains were not allowed to be really nasty; Bill Thomas's Giant was just mildly peeved because he is the runt of the litter, the tiniest giant in the world. And to go for a wooden cow rather than the actor-packed traditional version almost deflated panto belief.

Adam Price lifted things along as Jack's Mother, Griselda, although, inevitably, he gets no chance to flaunt his knickers. Debbie Norman threatened to add some style as the Munster-like, Intravensia; and Anthony Ingle's music, strangely proper and traditional, had the children in the audience beating time with brio.

The children in the audience: now here was the saving grace. They stole the evening. Stratford East must be doing something right to keep them so absorbed. Perhaps you should leave your five-year-olds in their seats and enjoy the show from the long bar. Patrick Prior writes (a drum roll means a joke) and Jeff Teare's direction keeps the cast moving fast for little effect.



Bring back the long-legged cross-dressers: a scene from Stratford East's politically-correct production

Alistair Miles

## Theatre/Sarah Hemming

## Rupert Street Lonely Hearts Club

rather darker exploration of the ties that bind. A busy flat in east End London offers sanctuary to a collection of damaged individuals. First there is Shaun, dragging round like a damp flannel because his girlfriend Juliet has gone to Barbados and seems to be exhibiting few signs of homesickness. Then there is Marti, his gay brother, who refuses to fall in love with anyone ("less mess"), even the hunky transvestite Dean, who clearly worships the ground he walks on.

Below them lives George, a heavy, right-on English teacher desperate to get her hands on a man, even if his greatest attraction is the size of his SWP placard; and finally there is Clarine, the mentally unstable occupant of the flat upstairs, whose inability to distinguish between fantasy and

reality ironically protects her more than most from Cupid's poisoned arrows. Harvey has plenty of fun with this battered crowd, timing entrances and misunderstandings with near farcical results. But his theme is the impossibility of love in a harsh world, dissected most particularly in the relationship between the two Scouse brothers. As the show unfolds, so does their thorny past, culminating in two climaxes: a dinner party from hell, as the two brothers trade insults over the other's "sweaty" head; and the final scene when Marti reveals that, for all his gay banter, he cannot bring himself to love any man except Shaun.

Though its undertone is bleak, the play crackles with wit and arch one-liners. Harvey specialises in turning the tables. "When did you real-

ise you was straight?" asks Dean of Shaun, dangling his Fifi wig nonchalantly over his shoulder. "Don't you call me lad, you straight bastard," protests Marti at one point. "Call me girl or doll or lov. It takes years to get this camp."

The play is not flawless. Sometimes the humour is a bit pat and there is something most uncomfortable about the laughter at Clarine's insane revelations. The actors are hard pressed, too, to make the turnaround at the end of the play from bleak but comic to tragic: they manage without raising a titter, but Harvey has not made it easy for them.

That aside though, this is a witty and wise piece of writing and John Burgess's production, on Jackie Brooks' accurately shabby set, serves it very well. Performances are excellent, particularly from Scot Williams as the sullen Shaun, Tom Higgins as the ebullient but vulnerable Marti and Elizabeth Berrington as the cracked Clarine. Praise be for teenage acne.

At the Criterion Theatre, London W1 (0171-369 1747).

## Recital/John Allison

## Barbara Bonney

Barbara Bonney is a well-established, well-loved artist about whom it seems strange to write in terms of vocal transformation. But it is hard not to have noticed, hard not to have relished, the way in which this American soprano has developed her musical personality over the last few years, and her recent appearance at the Wigmore Hall was undoubtedly one of her most engaging London recitals yet.

She has always displayed secure technique and radiant, silvery tone. Slightly anachronism in past recitals, however, suggested that she did not command enough variety of tone for a long recital programme. Here she emerged excitingly as a more "complete" artist, capable of projecting words meaningfully in a voice that has gained body in the middle, a metallic glint lower down and remains

seraphic at the top.

The occasion was the latest in the Wigmore Hall's series "The Britten Songs", and in addition to Britten's "Fish in the Muffled Lakes" and the cycle "On This Island" the programme reflected his admiration for three composers of the Austro-German tradition, Haydn, Mendelssohn and Wolf. But the Britten songs, all settings of Auden, made the most interesting group.

Each of the five numbers in "On This Island" was strongly characterised: Bonney's soprano may not be big, but she found power for the vocal fanfare of "Let the world music praise" articulated clearly the rushing lines of "Now the leaves are falling fast", and was stylish in the cabaret accents of "As it is, plenty".

The pianist, Julius Drake, was at his most imaginative in the Britten, and both he and Bonney caught the ethereal

essence of the "Nocturne".

Bonney also disclosed an ability to sing through long legato phrases – something many singers seem reluctant to do – in her opening three Haydn songs, settings in English of undistinguished poems by Anne Hunter. Musically, though, these number among Haydn's most distinguished songs, and Bonney was especially memorable in capturing the loneliness of "The wanderer".

She was affecting in her five Mendelssohn songs, fresh in "Der Blumenstrauß" and melancholy in "Wenn sich zwei Herzen scheiden". But Bonney sang nothing better than Wolf's tender "Wir haben beide" and painful "Mein Liebestier singt", two of the eight *Lieder* from the Italianisches *Liederbuch* that rounded off this rewarding programme.

Sponsored by PRICOA Property Investment Management

INTERNATIONAL  
ARTS  
GUIDE

## AMSTERDAM

**CONCERT**  
Concertgebouw  
Tel: 31-20-5730573  
● Netherlands Philharmonisch Orkest: conducted by Vassili Simgal with pianist Jean-Yves Thibaudet perform works by Duparc, Ravel and Franck: 8.15pm; Dec 23  
● Regina Albrink: the pianist performs works by Handel, Beethoven, Liszt and Chopin: 2.15pm; Dec 22

## BERLIN

**CONCERT**  
Konzerthaus  
Tel: 49-30-209092100/01  
● Kammerorchester "Carl Philipp Emanuel Bach": conducted by Hartmut Haenchen, with harpist Maria Graf perform works by Corelli, Handel, Stamitz and Mozart: 8pm; Dec 23  
● Messe für Soli: by J.S. Bach. Conducted by Gert Seil and performed by the Berliner Oratorien-Chor: 8pm; Dec 28

## BOSTON

**EXHIBITION**  
Museum of Fine Arts  
Tel: 1-617-257-9300  
● Poster Mania: The 1890s: the last decade of the 19th-century is considered the "golden age" of the artistic poster. This exhibition features 45 colour posters by French, Swiss, Belgian, German, Dutch and American artists: to Dec 31

## DETROIT

**EXHIBITION**  
The Detroit Institute of Arts  
Tel: 1-313-833-7963  
● The Paine Webber Collection: one of America's most important corporate collections with 75 paintings, sculptures, works on paper and photographs by Willem de Kooning, Cy Twombly, Andy Warhol, Susan Rothberg, Kiki Smith and others: to Dec 31

## FRANKFURT

**EXHIBITION**  
Städtische Bühnen - Oper, Ballett

**EXHIBITION**  
Kunsthalle Museum - Tiergarten  
Tel: 49-30-2662902  
● Contrasts in 20th-Century Design: this exhibition shows modern design, glass works, ceramics, textiles and furniture from this century: to Dec 28  
**OPERA & OPERETTA**  
Komische Oper Tel: 49-30-202600  
● Le Nozze di Figaro: by Mozart. Conducted by Jaskov Kreutzberg and performed by the Komische Oper Berlin: 7pm; Dec 28

## GENEVA

**CONCERT**  
Grand Casino Tel: 41-22-7319811  
● Harlem Gospel Singers of New York: the Afro-American singers from New York with Queen Esther Marrow perform gospel, spirituals and rock & roll: 8.30pm; Dec 23

## HAMBURG

**CONCERT**  
Musikhalle Tel: 49-40-346820  
● Hamburger Konzertchor- und Orchester: with conductor Walter Gehlert and soloists Lisa Sourjikova, Ljiljana Kholodova, Gor Arsenjan and Ke-Qing Liu perform works by Verdi, Puccini, Mozart, Donizetti, Janáček and others: 4pm; Dec 26

## HELSINKI

**EXHIBITION**  
Ulkomaalaisen Taitto Museo - Finnish Museum of Foreign Art, Sinebrychoff Tel: 358-0-17336360

● The Ter Borche meet again: an exhibition from the museum's own collection that clarifies the background and history of Gerard ter Borche's painting "Woman Drinking Wine with a Letter in her Hand" and the history of its pendant painting: to Dec 31  
**OPERA & OPERETTA**  
Opera House Tel: 358-0-403021  
● Carmen: by Bizet. Conducted by David Stern and performed by the Finnish National Opera. Soloists include Peter Lindroos, Ning Liang, Raili Viikari, Raimo Laakso, Ilkka Viikari, Jarmo Ojala and Ritva-Liisa Korhonen: 7pm; Dec 29

## HOUSTON

**EXHIBITION**  
Museum of Fine Arts  
Tel: 1-713-639-7300  
● Texas Modern 1925-1975: the collection consists of more than 700 works created by artists ranging from Alexander Hogue and Myron Stout to Melvina Edwards and Dorothy Hood. This display concentrates on artists who have sought to fashion distinct regional identities: to Dec 31

## LONDON

**CONCERT**  
Barbican Hall Tel: 44-171-6388891  
● London Concert Orchestra: with conductor Philip Simms, the Thomas Tallis Choir and the Trinity Boys Choir and soloists Bonaventura Bottone and Crispian Steele-Perkins perform works by J.S. Bach, Handel, Gounod, Franck, Clarke, Stanley, Adams and Bizet: 8pm; Dec 23  
● St. John's, Smith Square Tel: 44-171-2221061

● Messiah: by Handel. Conducted by Stephen Layton and performed by the Orchestra of Polyphony. Soloists include Emma Kirby, James Bowman, Ian Bostridge and David Wilson-Johnson: 7.30pm; Dec 23

## NEW YORK

**DANCE**  
City Center Theater  
Tel: 1-212-581-1212  
● Alvin Ailey American Dance Theater: in a mixed programme, including the choreographies "Rainbow 'Round My Shoulder" by Donald McKayle, "Fathers and Sons" by Shapiro & Smith, and "Revelations" by Alvin Ailey: 8pm, Sat 7.30pm, Wed & Sat also 2pm, not on Dec 25; to Dec 31  
**OPERA & OPERETTA**  
Metropolitan Opera House Tel: 1-212-362-6000  
● Die Zauberflöte: by Mozart. Conducted by Peter Schneider and performed by the Metropolitan Opera. Soloists include Joan Rodgers, Deon van der Walt and Mark Oswald: 1.30pm; Dec 23

## OXFORD

**EXHIBITION**  
Ashmolean Museum of Art & Archaeology Tel: 44-1865-278000  
● Legacy of the Mongols: Ceramics and Tilework of 14th-century Iran: to Dec 29

## PARIS

**EXHIBITION**  
Musée Picasso Tel: 33-1-4271 7084  
● Picasso, Photo-Medium: exhibition on work by Picasso-based

on anonymous photographs and in collaboration with photographers as Dora Maar, Brassai and André Villers. The exhibition includes 200 works made between 1913 and 1962; to Dec 31

## STOCKHOLM

**OPERA & OPERETTA**  
Kungliga Teatern - Royal Swedish Opera House Tel: 46-9-7914300  
● Aida: by Verdi. Conducted by Maurizio Barbacini and performed by The Royal Opera Chorus. Soloists include Anders Lorentzon, Ingrid Tobiasson, Hillevi Martinpelto, Raimo Sirkka, Jerker Arvidson and Tord Wallström: 3pm; Dec 26

## VIENNA

**OPERA & OPERETTA**  
Wiener Staatsoper  
Tel: 43-1-514442960  
● Le Nozze di Figaro: by Mozart. Conducted by Leopold Hager and performed by the Wiener Staatsoper. Soloists include Solta Isokoski, Juliana Baner, William Shimell and Renato Girolami: 7pm; Dec 28

## WASHINGTON

**EXHIBITION**  
The Phillips Collection  
Tel: 1-202-387 2151  
● Adolph Gottlieb Photographs: the photographs, which date from 1941 to 1953, reflect the range of sources and issues that concerned New York artists in the 1940s; to Jan 2

**WORLD SERVICE**  
BBC for Europe can be received in western Europe on Medium Wave 648 kHz (463m)

**EUROPEAN CABLE AND SATELLITE BUSINESS TV**  
(Central European Time)  
MONDAY TO FRIDAY  
NBC/Supers Channel:

07.00  
FT Business Morning  
10.00  
European Money Wheel  
Nonstop live coverage until 14.00 of European business and the financial markets  
17.30  
Financial Times Business Tonight  
Midnight  
Financial Times Business Tonight





Philip Stephens

## Stubborn, not strong

The Tories may be in for a rotten Christmas but it will suit Tony Blair if John Major's government hangs on until 1997

Tony Blair expects to enter 10 Downing Street in the spring of 1997. If you ask, he will tell you that his party is ready to fight the general election at any moment. Its campaign team is moving even now into smart new headquarters in Westminster. There is no shortage of cash in New Labour's election fund. Mr Blair would add that he will do everything possible to harry John Major into an early contest. But take Mr Blair aside and his best guess is that the government will hold on until the end of the parliament. And that may suit Labour as much as it does the Conservatives.

This analysis may seem strange to those of you who have observed the government shooting itself in every part of its anatomy during the past few days. I wonder who exactly decided that the very first rail franchise should be awarded to a company whose business practice was recently described by the Monopolies and Mergers Commission as "deplorable". Personally, I have nothing against Stagecoach. Selfishly, I avoid the buses. But I cannot be alone in finding it strange that an organisation with so dubious a record should now be the recipient of such large hand-outs of public money.

Turn now to Peter Davis. This gentleman regulates the National Lottery. He thinks it perfectly proper to accept hospitality from one of the corporate partners in the Camelot consortium which makes oodles from the nation's weekly flutter. Perversely, it now seems to the outside world that Mr Davis's personal reputation is tied to that of the company which he should be regulating. So have we heard a quiet word of apology, a gentle admission that his judgment momentarily deserted him when he clambered aboard that private jet? Not a bit of it. Mr Davis knows this government has neither the wit nor the courage to dismiss him.

Incidentally, I am told that it is now axiomatic in Whitehall that demands from the media for the resignation of public figures must be resisted regardless of the conduct of the individual concerned. Stubbornness is mistaken for strength. Henceforth, you can get away with almost anything as long as you ensure that at least one newspaper demands your dismissal.

Just to ensure that the prime minister has a truly miserable Christmas, the Tory Eurosceptics rounded off the catalogue of calamities by defeating the government in the House of Commons. No matter that this particular vote, on the European fisheries policy, will save not a single cod, plaice or haddock for the trawlermen of Grimsby and Newlyn. Reason has long departed the minds of those Tories who think the best way to advance the anti-European cause is to assure Mr Blair of an election victory. Each such occasion makes one feel for Mr Major. It's them, not him. His resilience is ever more astounding. Does anyone deserve the gesture politics of William Cash and his Eurosceptic chums?

Enough. This is not, you will have gathered by now, a column brimming with seasonal good cheer. But there is no need to explore here the miserable misfortune of David

A cold winter could well see the prime minister heading the first minority government since the 1970s. But do not wager your savings on a poll during 1996

Ashby, the Conservative MP facing ruin after a failed Nobel action. Nor will we dwell on the latest episode in the royal soap opera. Others can debate the constitutional implications of a divorce for Prince Charles and Princess Diana. I am indifferent as to whether it is Charles, his son William, or Walt Disney's Lion King who next sits on the British throne. But the sooner we are spared the tortured self-indulgence of the Barbie Princess Di the better.

So back to Mr Blair. Of course, if the chance comes to precipitate an early election, he will take it. And with Mr Major facing a fall in his majority at Westminster, just three, that must always be a possibility. A cold winter could well see the prime minister heading the first minority government since the 1970s. But do not wager your savings on a poll during 1996.

A premature election forced on Mr Major would, by definition, be one that promised a massive majority for Mr Blair. I cannot see the Ulster Unionists throwing away their leverage in the Northern Ireland peace process quite so easily. Mr Blair agrees. So he is planning for the longer haul, a period of 15 months or so during which New Labour will show us a little more of its ankle. Do not expect, though, excitement. Mr Blair has a ready retort for those who mock the timidity of his prospects.

Think for a moment, he will say, about what was in the voters' minds in 1992. There was a host of reasons why support for (Old) Labour melted away. Taxes, trade unions, Neil Kinnock. But of one thing you can be certain. No one left the polling booth having shunned the opposition party because it was insufficiently exciting. He has a point. The world feels ever more insecure. Fear of change is probably Mr Blair's most powerful weapon.

Mr Blair is unapologetic too about the frustratingly delib-

erate pace of his project. The chattering classes may be impatient with the repetition, but he is certain that the real electorate cannot be told too often that Labour has broken with the past. Ask him to spell out now the three or four policies which will be at the heart of his manifesto and he will tell you he is biding his time. He has decided in his own mind but has no intention of giving the Conservatives time to mobilise their attack.

The basic pillars are there. An economic policy with the emphasis on partnership rather than state direction. A one-nation approach to social policy. A programme of political reform. Mr Blair promises they will be illuminated eventually by a series of emblematic policies on the economy, welfare reform and social cohesion. But, before that, there is much work to be done on existing commitments. He will not disavow the pledge inherited from the late John Smith to turn the constitution upside down. But the plans for devolution, for reform of the House of Lords, and for a revival of local government, do not yet have the feel of a workable enterprise.

Mr Blair intends also to tighten his grip on the party machinery. He sees the real story behind Labour's long spell in the political wilderness as his predecessors' failure to shape the culture and organisation of party activists. He does not intend to make the same mistake. For all this he needs the time which a 1997 election would allow.

It is not an agenda to set pulses racing. But then Mr Blair is not that sort of politician. Nor, in her opposition years, was Margaret Thatcher. Like her he prefers power to plaudits. The closer one looks at the leader of New Labour, the more his political calculus resembles that of his Tory heroine. A chilling thought. But then I did warn you to look elsewhere for seasonal fare. Happy Christmas.

## LEADERS FOR A NEW MILLENNIUM

Eric Lander • By Clive Cookson

## Cartographer of life



**'Genetic information should empower every patient to seek the sort of medicine they need'**

A comprehensive "map" of human genes is published today in the journal *Science*. Guided by it, scientists expect to reveal all 80,000 chemical letters in our genetic code within 10 years – an achievement that promises better health for humanity and an eventual cure for many of the most obdurate diseases.

Amazingly, in a world of rigid scientific disciplines, the international team of 50 researchers who produced today's DNA map is led by someone who worked professionally as a mathematical economist until six years ago. Eric Lander spent the 1980s teaching at Harvard Business School and "moonlighting", as he puts it, in molecular biology labs at the Massachusetts Institute of Technology.

In 1989 Dr Lander switched officially to MIT and biology. He now directs the MIT/Whitehead Centre for Genome Research and is recognised internationally as a star among the new generation of geneticists.

But Dr Lander maintains a practical interest in business through Millennium, the appropriately named genetics company he co-founded in 1993. This week Millennium announced a \$50m (£39m) collaboration with Astra of Sweden on genetic factors in respiratory disease, to follow earlier agreements with Roche (\$70m for obesity and diabetes genes) and Eli Lilly (\$50m for narrowing of the arteries).

What makes Dr Lander stand out from other brilliant gene researchers is his intellectual versatility. He delights in venturing beyond the sciences and engaging in all the medical, social and business implications of genetic research. He talks not only about the promise but also of threats ranging from unfair genetic discrimination to a revival of eugenics and "race science".

"The genome project will enable doctors to test individuals for mutations in any of the 100,000 genes that provide the human blueprint. Indeed, prototype tests are already available for hundreds of genetic defects, including ones that predispose people to breast cancer and Alzheimer's disease."

Such tests will be invaluable for tailoring each patient's treatment to the precise molecular cause of his or her disease. But the results must be treated like social dynamite – handled wrongly they could destroy employment prospects, insurance eligibility and much more besides.

The privacy of genetic information is the most urgent issue, Dr Lander says. "Genetic information should empower every patient to seek the sort of medicine he or she needs. Yet the effects can be

terrible if it gets into the hands of others."

There are many examples of the way gene tests could be misused. Dr Lander mentions Ronald Reagan, the former US president who is now suffering from Alzheimer's disease. If the genes that predispose people to Alzheimer's had been known when he was running for office as a somewhat elderly candidate, he might have come under irresistible pressure to undergo a test. Or someone might have done an unauthorised test – one hair root would be enough. A positive outcome would have destroyed his campaign.

Most people do not know how to cope with information about their own genes, he says. "We need to invest more in genetic counselling."

"Even if people do understand what you are telling them, we do not know enough about their likely reactions. How are you supposed to react if you're told that you have a very high risk of developing a fatal disease before the age of 50 – and there isn't any treatment?"

And Dr Lander has a broader concern about the "tendency in western thought to imagine that there's a single best model of everything – including a single best genotype. This is very dangerous thinking."

"Most genetic variation cannot be defined simply as good or bad," he says. "For example manic depression is very much over-represented among artists and writers; the 'disease' can confer an artistic advantage. We need to cultivate an appreciation of diversity."

At the very least, Dr Lander says, all genetic decisions – such as whether to take part in antenatal screening for harmful mutations and then have an abortion if one is detected – need to be left in the hands of individuals.

But this may not be a sufficient safeguard if there is very strong public pressure in the direction of genetic uniformity. "We need to engage the public more fully in the debate," Dr Lander says.

From the moment he emerged as an authority on genes, he has been happy to talk openly about controversial issues even when his views clash with influential colleagues. He is helped by an earlier "moonlighting" experience – as a journalist on *Business Week* in the late 1980s which left him with a keen sense of what makes a "good story".

For instance Dr Lander was an early critic of the way forensic scientists and courts were using DNA fingerprints to identify and convict criminals. His attacks – focusing on poor scientific controls and misleading statistics – played a part in raising the standards of genetic evidence.

Although Dr Lander maintains a foot in both the business and academic camps, he is anxious not to leave himself exposed to criticism of potential conflict of interest. "We keep a rigorous division between my work for Millennium [as a non-executive director and scientific consultant] and my academic work: at the genome research centre where we publish all our work without patents or restrictions," he says. "We have set things up so that the projects are entirely different. What I built academically are the generic tools to map any gene; at Millennium they work on specific genes."

Dr Lander is discussing a possible move to California to run a new genome research institute that Roche, the Swiss pharmaceutical giant, plans to set up in partnership with Stanford University.

But, wherever he is, Dr Lander will be a scientific leader of the new millennium. "When the whole human genome is available on CD-Roms, we can begin to figure out how the 100,000 genes interact and talk to each other, how they respond to different diseases and developmental pressures. I reckon that my scientific career will really start around 2005."

## LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HH

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171 575 5535 (please ask us to 'fine'). e-mail: letters.editor@ft.com Translation may be available for letters written in the main international languages.

## Russian distinctions fail to help understanding

From Mr Johnathan Smiley.

Sir, Does the distinction between reformers on the one hand and communists and nationalists on the other really help us to a clearer understanding of events in Russia – these being the categories relied upon in your editorial "Elections in Russia", (December 19), as in most western analyses of the Sunday's elections?

It may be superfluous to mention that Boris Yeltsin, the president, or prime minister Victor Chernomyrdin were once leading figures in the Soviet Union's Communist establishment. More telling for

most Russian voters is that in their zero-sum approach to power (witness the shelling of the country's parliament in 1993) and barely disguised corruption today's reformers are every bit as communist as the supposedly unreconstructed apparatchiks led by Mr Gennady Zyuganov.

As for nationalism, surely such deeds as the Russian government's incessant interference in the affairs of neighbouring states or the brutal intervention in Chechnya qualify for this term no less than the inconsistent ramblings and rantings of Mr Vladimir Zhirinovskiy. At least

based on the discussions I had on Sunday with ordinary Russians, it should be noted that neither of these policies are very popular. The same can also be said of the headline resistance to the eastwards expansion of Nato exhibited over the past couple of years by (among others) foreign minister Andrei Kozyrev, whose fate as a "reformer" in a reshuffled cabinet is held to be a matter of such concern for the west.

In short, just as the Kremlinological distinction between "hawks" and "doves" did not serve us very well in analysing the genuine

dynamics of the communist system, so now insisting on a gulf between reformers and the rest will not improve our understanding of post-communism.

And especially not of why otherwise rational voters in Russia and other parts of eastern Europe seem determined to turn back the political clock – when that is often the last thing they want.

Johnathan Smiley, CEC, government relations, Falk Miksa UTGA, Budapest 1055, Hungary

## Confucian principles taken too lightly

From Mr Kenneth P. Armitage.

Sir, The brief résumé of Mr Shi Yuzhu (Leaders for a New Millennium, December 18) and his management of the Zuhai Giant Advanced Technology Group made interesting reading. I am not sure that having "a principled and disciplined organisation" is, necessarily, a communist principle.

However, there is much to be said for the Confucian principle of trust, based on honesty, openness and good communications, which many organisations have taken too lightly. Rather, the most senior management have regularly reiterated the statement that "their workforce is the most valuable resource" and yet have demanded increasing flexibility and taken to hiring and firing them at will.

If the broken promises and the levels of stress continue, then people will become less willing to work longer hours, accept transfers to different operating divisions in other areas of the country or remain with a company. Perhaps Mr Shi, and his vacant plinth, have a point.

Kenneth P. Armitage, 6 Debdon Valley Drive, Kesgrave, Suffolk IP5 7PB, UK

## Deutsche Bank move represents an act of global leadership in accountancy

From Mr Robert Kelley.

Sir, Your article "Deutsche Bank in accounting standards move", December 20, could have easily carried the headline of the article that appeared just above it, "An appeal that broke with usual practice".

Mr Jürgen Krumnow and his fellow directors at Deutsche Bank are to be commended on their decision to report financial performance using international accounting standards. Their decision is a break with usual practice, and represents an act of global leadership.

To call international accounting standards "Anglo-Saxon", however, is

misleading. The standards are global in origin and application. The global movement towards recognition of international accounting – both the standards used and the delivery of accounting services – has a full head of steam. It was launched by the ministerial-level "Decision concerning professional services" which formed part of the Uruguay Round trade package of 1994.

A working party to implement this decision was set up by the World Trade Organisation earlier this year. With the enthusiastic co-operation from many nations, the working party could substantially complete its mandate by December

1996, when the world's trade ministers meet in Singapore to review the Uruguay Round agreements.

If so, while other service sectors linger, professional services, especially accountancy, would set the pace for the World Trade Organisation's programme of continuing trade liberalisation and globalisation of services.

Robert F. Kelley, managing partner, governmental affairs, Arthur Andersen & Co, 69 West Washington Street, Chicago, Illinois 60602-3002, US

## A fringe view of theatre economics

From Mr Michael Mears.

Sir, In response to Ian Shuttleworth's question at the end of his review of my play *Soup* about homelessness ("Haunting drama of failed relationships", December 16/17) – "If *Soup* cares as much as it seems to strive to, why is Shepherd's Bush Housing Association giving financial assistance to Mears rather than vice-versa?" – I can only assume he is unaware of the parlous state of theatre economics, particularly on the fringe.

The run of the play at the Lyric is solely funded by me, a

budget of £2,500 from hard-earned savings which I can ill afford but am willing to risk for a play that I and the vast majority of people who have seen it so far, believe has something important to say about this appalling problem.

SBHA has not sponsored the run but kindly offered to donate a sum to make possible a special performance of the play on December 14 for an audience of homeless people, providing food as well, and with a discussion after with local policymakers.

For my own part, I have made available free tickets to

day centres and hostels, given free adverts in the programme for four charities, and inserted their literature in the programme. I have also given 10 free workshops to schools on the play and its subject matter which have been extremely well received.

I have worked for no money for the last four months, and am not paying myself at the Lyric. So yes, Mr Shuttleworth, I do care. And no, you need not suspect my motivation.

Michael Mears, 20 Ackland Road, London SW11 1EP, UK

One of  
the most  
successful bids  
seen in the  
Financial Times  
all year.

We are pleased to have contributed to The Macmillan Cancer Relief Fund by successfully bidding for this space in the Financial Times' Christmas auction.



BARCLAYS

MERRY CHRISTMAS

1500 م الراجحي



## COMMENT &amp; ANALYSIS

## FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL  
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700

Friday December 22 1995

## The sooner the better

Monarchies are not renowned for their perception of the realities of life. George III, who went mad, was crowned king of England and France several centuries after that ceased to be a plausible proposition. Yet the Queen now recognises what most of her advisers and subjects have long taken for granted: that after three years of acrimonious separation, the marriage of the Prince and Princess of Wales has irretrievably broken down, and the sooner they divorce the better.

Constitutionally, a divorce is no big deal. It would not qualify the legal standing of Prince Charles to ascend the throne. The Church of England, of which the sovereign is supreme governor, has long recognised divorce. And little stigma attaches in a country which now has more than half as many divorces as marriages each year — and twice the divorce rate of the European Union as a whole.

For those who want the monarchy to mint model families, it will be a disappointment. Queen Victoria, who launched that idea, would not have been amused at the public recriminations of the royal couple. But today's public has greeted the unfolding drama with a mixture of sympathy, hilarity and bemused fascination.

The quasi-constitutional issues raised by a divorce are settled easily enough. The Princess of Wales will continue to be a public figure supported by the royal household. A formal ambassadorial role is hardly appropriate, but she appears anxious to pursue her "queen of hearts" mission to society's most vulnerable. Prince Charles has said he does not intend to remarry, but should he wish to do so in due course only the Church is likely to raise any objection of principle.

**Popular support**  
What of the monarchy's future as an institution? There is no sign that the years of family feuding have threatened its survival, at least within the UK itself. The institution appears to enjoy greater popular support than at any time in recent centuries — excepting the few decades after the outbreak of the second world war, when no serious politician dared question its role in public.

Moreover, the strength is as much intellectual as popular. It is symbolised by the publication this year of a definitive study of the constitutional monarchy by Mr Vernon Bogdanor, a foremost academic proponent of sweeping constitutional reform, who claims the status quo as the best of all possible worlds. "If the conjunction of monarchy and democracy may seem a contradiction," he concludes, "it would be well to bear in mind Freud's aphorism that it is only in logic that contradictions cannot exist."

**Relevant monarchy**  
In the same spirit, it is absurd to suggest that the monarchy's future depends upon its becoming somehow "modern". Rather, the challenge is to make an inherently unmodern monarchy relevant. In political terms, this is little challenge. The need for an impartial, symbolic head of state is as great as ever; even Australia, where the campaign for an indigenous head of state seems unstoppable, is having acute difficulty agreeing on a suitable alternative.

The monarchy has a harder job remaining socially relevant. Yet ironically Charles and Diana, in their different ways, have addressed this task more seriously than any royal since Prince Albert in the 1850s. At their best the development of the "welfare monarchy" — the ubiquitous patron of worthy causes from AIDS to architecture — has reached new heights. In a society which generally accepts that governments must do less and volunteers do more, this role will not diminish. The position of the Crown in relation to the Church is more problematic. Prince Charles would like to be "defender of faith", not just the faith of the state Church of England which he will formally govern. Yet the monarchy has been here before. The coronation oath is changed at each accession to suit the sensibilities of the day. It used to swear unwavering loyalty to Catholics; last time it simply pledged support for Protestantism and the C of E; it can readily be made more comprehensive still. Almost everyone will be paying more attention to the Crown, the flamboyance, and where in the cathedral they have placed Diana.

## Walesa should go quietly

Mr Lech Walesa, the departing Polish president, has always had a flair for the theatrical and a taste for intrigue. In the dying days of his five-year presidency he has indulged both talents by calling in military prosecutors to investigate "treason" by Mr Józef Oleksy, the prime minister. The attack follows an earlier assault on Mr Aleksander Kwasniewski, the incoming president, who was found to have lied about his educational qualifications.

Mr Kwasniewski and Mr Oleksy were officials in the last communist government before the historic victory of the anti-communist Solidarity alliance led by Mr Walesa in 1989. But in September 1993 the communists transformed into social democrats, came back to power. In spring this year Mr Oleksy became prime minister of a revamped government coalition of the Democratic Left Alliance (SLD) and the Peasants Party (PSL). Five weeks ago, Mr Kwasniewski defeated Mr Walesa in the second round of the presidential elections and is due to be inaugurated on Saturday.

The prospect of Catholic Poland's being ruled by a former communist prime minister and a former communist president is clearly too much for Mr Walesa. He spent weeks calling for an annulment of the presidential elections because of alleged ballot-rigging and Mr Kwasniewski's over-inflated educational claims.

**Sensible reaction**  
Last week, however, the high court accepted the results of the elections. Now Mr Walesa has come back with a graver personal attack on Mr Oleksy, whom Mr Andrzej Milczanowski, the interior minister appointed by Mr Walesa, yesterday accused of having clandestine meetings with "the agent of a foreign power" between 1990 and 1995. These are serious charges. Mr Oleksy has denied them and reacted sensibly by declaring willingness to waive parliamentary immunity and answer all charges in a court of law.

Many Poles doubtless share Mr Walesa's doubts about the suitability of former communists for high office, especially after last weekend's Russian elections. But

sian voters opted strongly for a revived Russian communist party which still calls itself communist and wants to restore the former Soviet Union to its past glory.

This is an unrealistic dream. Most central European states, including Poland, now do more than 60 per cent of their trade with the west and also have alternative sources of energy and rapid export and investment-led growth. They are rebuilding links with Russia, but on a normal inter-state and private-enterprise basis. They have no desire to turn the clock back, even though most of central Europe, apart from the Czech Republic, is now led by former communists.

**Enormous changes**

Poland and the other former satellite states are no longer indirectly ruled by Moscow through close party, military and intelligence linkages, as they were prior to 1989. To pretend otherwise is to underestimate the enormous changes which have taken place throughout the former Soviet world over the last six years. Mr Walesa knows this as well as anybody, or should.

Throughout the presidential campaign he tried to persuade the electorate that this was not so. He failed. When the people's choice, Mr Kwasniewski, is installed as president, he will doubtless move to introduce the proposed new constitution. This should end the tension between the president and successive governments that characterised Mr Walesa's tenure.

Mr Walesa was a flawed president who kept historical wounds in Polish society open. But during his tenure Poland underwent a peaceful economic revolution and restored democratic government under the law. He now owes it to Poles and to himself to step down gracefully and make way for Mr Kwasniewski, as the law prescribes. He should concentrate his future efforts on building up an effective opposition. This should help keep the former communists on the democratic path, by offering constructive criticism and standing ready to present alternative policies to Polish voters at the next elections, which could come sooner rather than later.

# Goldman Sachs



## A shot at the golden carrot

A partnership at Goldman Sachs is among Wall Street's biggest prizes, says Maggie Urry. But the bank is debating whether to seek a listing

It must be the longest running debate on Wall Street. Will Goldman Sachs, the last big partnership among US securities firms, seek a stock market listing? This week, the debate came into the open when Mr Jon Corzine, senior partner, acknowledged publicly that a flotation was again under consideration. A partnership in the 127-year-old firm, one of the most prestigious US investment banks, has long been among the greatest prizes on Wall Street, reckoned to be worth \$10m (\$15m) or more. It is not one that partners will give up lightly. But changing times and fortunes for the leading US securities houses are putting pressure on the firm to include more long-term equity in its capital structure.

Mr Corzine, who voted in favour of going public in 1986 on one of the many previous occasions the question was asked, makes no comment as to how he feels this time. A softly spoken, bearded man, he looks nothing like the stereotypical Wall Street banker. He says the partnership is obliged to consider the issue. "If you did not have this discussion there would be a big debate about why aren't they talking about this?" Yet he seems anxious to stress that not only has Goldman no need to float but its partnership structure still benefits the firm.

Since Goldman closed its books last month on one of its more profitable years, there is certainly no immediate pressure to seek a listing. Profits before the partnership share-out bounced from \$506m in 1993-94 — a disastrous year for Wall Street — to \$1.37bn in 1994-95. And although Goldman has not been immune to problems, its future "up there in the bulge bracket" as one banker puts it, is

not in serious doubt. The firm has topped the league tables for equity underwriting in 1995 and is a close second on mergers and acquisitions.

However, timing for a flotation is propitious. The recent initial public offering by Donaldson, Lufkin & Jenrette, the US investment bank, was a success and the share prices of other stockbrokers have risen this year. Longer serving Goldman partners could use a flotation to "cash out" at a high price.

The main argument for a float, though, is that Goldman might find itself at a disadvantage if it does not adjust its capital structure. Competition on Wall Street is fiercer than ever. Rivals with huge resources are putting more capital into the business, and salaries are being bid up as banks attempt to poach top performers. Some analysts believe that in 10 years Wall Street will have lost many well-known banking names through takeovers or attrition.

When Goldman decided not to float in 1986 it turned instead to other providers of capital. Over the subsequent years it has pieced together a capital structure which relies heavily on quasi-equity, which is both redeemable and carries a high fixed cost.

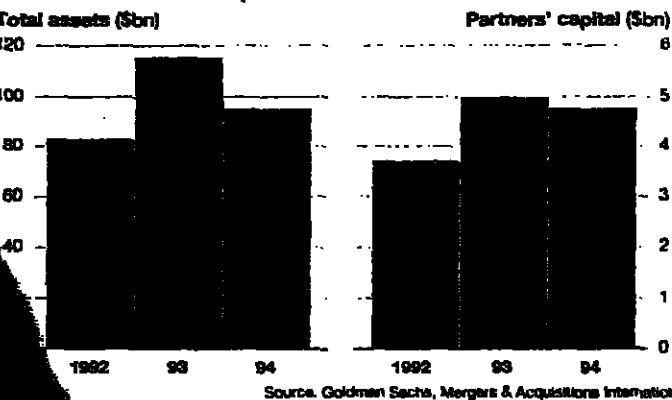
In 1986 Sumitomo Bank of Japan invested \$600m in return for a share of the profits. Later, private placements of the quasi-equity were made with insurance companies. And in 1989 a Hawaiian educational trust, the Kamehameha Schools Bishop Estate, invested \$250m in equity, doubling that amount in November last year.

But while the new capital is welcome, it carries drawbacks too. As outside investors have been brought in, the proportion of the firm's capital coming from its general partners — those still working at the firm

Top advisers on completed deals worldwide, 1995 (year to end September)

Adviser	Value (\$bn)	Market share (%)	Number of deals
Morgan Stanley	85,518.4	20.8	99
Goldman Sachs	79,266.7	19.8	100
CS First Boston/Credit Suisse	64,272.5	15.6	91
Leasecrum	59,957.4	14.8	81
Merrill Lynch	35,921.4	8.7	121
Lehman Brothers	30,888.8	7.5	95
J.P. Morgan	26,384.3	6.9	69
Salomon Brothers	27,769.5	6.7	76
Bar, Stearns	23,617.0	5.7	34
Baring Brothers	20,734.1	5.0	25
SGS Warburg	18,763.7	4.5	70
Donaldson, Lufkin & Jenrette	17,263.0	4.2	51
Deals with adviser	336,615.9	82.3	1,663
Deals without adviser	72,936.9	17.7	8,568
Industry totals	411,552.8	100.0	10,231

Goldman Sachs Group



Source: Goldman Sachs, Mergers & Acquisitions International

must pay high salaries and bonuses to retain key staff, Goldman's sense of teamwork and compensation linked to performance is enviable.

Mr Corzine and Mr Hank Paulson, his deputy, repeatedly stress the advantages of the partnership in a business where people are the main assets. They talk of staff's willingness to build careers at Goldman, and of the loyalty of many people in the face of lucrative offers.

However, a flotation might also persuade some of Goldman's partners to leave, and if there were an exodus of its biggest profit makers that would weaken the firm. Mr Corzine is adamant that a flotation would not be pushed through without substantial support.

Also militating against a flotation is the likely reluctance of younger partners to vote to go public until they too have had "a shot at the golden carrot", as one rival investment banker puts it.

One of Goldman's problems is that the age profile of its partners has become unbalanced. Goldman elects new partners every other year, in the autumn. In recent years it has expanded the partnership greatly, with 32 made up in 1990, 35 in 1992 and 58 in 1994.

That means more than half the 173 partners have joined the elite within the last three years and nearly three-quarters in the last five years. With 1994 such a poor year, they have so far had little chance to build up their fortunes.

If Goldman turns its face against flotation, it may have to adjust the mix of its business to escape the insecurity of funding risky activities with risky capital. Many investment banking activities, such as underwriting and mergers and acquisitions, are cyclical, with the result that securities firms often have lumpy earnings records.

Mr Corzine and Mr Paulson say they have already done much to reduce the cyclicality of the business. For example, since they took over at the end of 1994, Goldman has worked to spread its risks more widely and is aiming to build its asset management activity, which has a more even earnings flow.

This has marked a change of emphasis. In the early 1990s it had expanded its proprietary trading side — using its own capital to take market positions. This boosted profits in 1993 but hit it badly in 1994 when the bond market collapsed.

Although Mr Corzine says "we are not afraid of proprietary risk" he says the "absolute level of risk" has diminished from 1993-94 levels. By broadening the range of risk-taking and building up other areas, he says, "we hope that we will provide a foundation that dampens down some of the cyclicality that is a natural part of our business".

So Goldman is facing a number of dilemmas. Now would be a good time to go public, but it does not need to. Yet, if profits fell again and a flotation became imperative, many believe the stock market would be unwelcoming.

If it works to smooth its earnings record, will it deprive partners of the potentially huge profits which provide part of the motivation for the partnership structure? And should the older partners risk alienating the younger ones by pushing for a flotation which would allow them to take their cash out?

There are more questions than answers. Goldman partners have voted five times in the last 25 years not to go public and Mr Corzine is determined not to let the debate drag on for too long or to allow it to pit partner against partner. Goldman partners have a lot to think about over the holidays.

## OBSERVER

### Fickle finger of fate

Has Rupert Murdoch lost his touch? The media magnate badly miscalculated his right index finger yesterday as he was practicing in the 600-hp yacht *Savannah*, one of the fastest to win this year's Sydney-Hobart race.

Murdoch had been putting in some practice because it has been 34 years since he last competed in the 600-hp race dubbed "hell on high water". He ended up second, but there have been varying reports about how much effort he put into the last race. "Boy Messenger, a septuagenarian Sydney sailer, who was master of Murdoch's 1964 entry, has been reported as saying that his former boss 'used to lock himself away in his cabin and sleep'."

This time round Larry Ellison, the *Savannah's* owner, has been more complimentary about Murdoch's time at the helm of his 50m yacht. "Rupert drove the boat beautifully" during the Big Boat race, said Ellison. "It is like riding a bicycle — once you've learned you never forget."

gallivanting around the high seas in search of his last youth. Those socks of stunts are better left to the likes of Virgin's Richard Branson.

### Insurance policy

A splendid new advertising clip for his French cinema screens over the next few weeks. The jungle is "Bolero", the lead role played by AGF, the state-owned insurance group, which has been the subject of an on-again off-again privatisation routine.

Sadly, the slogan — "tomorrow is decided today" — is as AGF knows to its cost, sadly inapplicable to the French state. AGF was to have been privatised last year. It commissioned an agency to produce films to hone its image. But the government failed to move. Same story this year. There is always next. By then, the 1994 publicity campaign will of course be old hat. But the company obviously felt sufficiently sentimental about the existing efforts to expend yet more to put the images on general release during early January.

**Car wars**  
Christmas has not managed to displace crime at the top of the South African agenda. Newspapers have all been proffering helpful hints for the so-called season of

good will. Among yesterday's crop was an advisory from some insurance brokers on what motorists should do if attacked by armed hijackers at a traffic intersection. Ram the car in front, they suggest, the theory being that this will attract enough fuss to scare off the hijackers.

One drawback to this tactic is that motorists are perfectly aware that hijackers sometimes use this technique to tempt them out of their vehicles. Another factor to be built up in mind is the toll of drivers shot dead by hijackers alarmed by sudden movements. At least one luxury car manufacturer is considering installing bullet-proof windows on the driver's side of its cars to offer protection against this particular hazard.

But patience is running out. Mathews Phosa, the premier of Mpumalanga province, has concocted his own plan of action for those few criminals who are actually apprehended. "Now is the time for action. We must publicly humiliate criminals before rehabilitating them," he threatens. How? According to Phosa, by putting them in cages at local zoos and encouraging the public to heap scorn on them. Too good for "em.

**Bating cake**  
This Christmas has been a bitter one for many French shops and restaurants, with strikes paralysing the transport system

and discouraging the few consumers who might actually have been prepared to part with a franc or two.

Happily, life is a lot less gloomy for the likes of Tour d'Argent, one of Paris's flashier restaurants which feels the need to inform its clients that it is completely booked for December 31 1995.

Despite the revolutionary slogans being chanted on the streets this month, the platinum-card-holding customers are obviously displaying a certain amount of confidence that this won't be a re-run of the head-chopping, wealth-stripping type of French Revolution of yesteryear.

**Free fall?**  
The experts certainly remain pretty gloomy about the French economy. Earlier this week, the OECD announced that it had downgraded its forecasts for French growth next year to 2.2 per cent. No sooner did the downgrading become public than OECD secretary-general Jean Claude Paye appeared on television saying that growth was likely to be between 1.5 and 2 per cent. Mon Dieu, another revision — so soon?

The comment caused a furor among OECD economists. But it is regarded as entirely sensible by many other observers. And Paye should be credited with some sort of feel — he is after all French.

## Financial Times

### 50 years ago

Devaluation of Franc pending  
Paris: It is learned that the Cabinet meeting this morning endorsed the new franc-dollar rate, and at the same time approved a decision to ask the Assembly next Wednesday to ratify the Bretton Woods agreement.

Newspapers speculating on the new franc-dollar rate place it between 110 and 125 to the dollar.

The franc, at present pegged at 200 to the £ sterling, has been devalued ever since liberation in terms of cost of living inside France.

The purchasing power of the franc is now about one-quarter of its pre-war value. Devaluation will not come as a surprise or a shock to the French public.

Experts here consider that the rate should be fixed at 480 to the £ and 120 to the dollar, but it is believed that for political, rather than economic reasons, the rate chosen will be well below those figures.

● The pound sterling is currently (1995) worth 7.63 francs, while there are 4.94 francs to the US dollar





# FINANCIAL TIMES

Friday December 22 1995



ate  
Your competitor  
in telecommu

While grou  
big stake

## Lithuanian bankers held as PM warns of crisis

By Chrystia Freeland in Moscow

Three of Lithuania's senior commercial bankers were arrested yesterday in a banking crisis which government officials warned could affect the nation's economy, including the operation of its nuclear reactor.

Mr Adolfas Slezevicius, the prime minister, said the failure of this week of innovation bank, the country's largest commercial bank, had held up payments for the nuclear fuel needed to power the Ignalina reactor - which supplies 85 per cent of Lithuania's electricity - and prevented the plant from paying employees.

Mr Slezevicius said financial paralysis had hit strategic national companies, including Lithuanian Energy Systems, the country's electricity supplier, the port of Klaipeda and the Majelka oil refinery.

"The situation is very threatening, not only for this individual bank, but for the whole banking system," he said.

The crisis took a dramatic turn yesterday when anti-terrorist police arrested Mr Arturas Balkevicius, Innovation's chairman, after a 12-hour armed siege of the bank's headquarters in Vilnius. Mr Balkevicius had barricaded himself inside.

Earlier, police arrested Mr Gintautas Preidys and Mr Jonas Mackevicius, the two top officials at Litimpeks bank, Lithuania's second largest, on charges of defrauding the bank of 137m litas (\$84m).

Mr Balkevicius, whose bank holds 16 per cent of the country's savings, is accused of defrauding Innovation of up to 271m litas. The two Litimpeks bankers are also being charged with fraud. Innovation bank went into liquidation on Wednesday, and Lithuanian officials were last night considering a rescue.

Officials warned the crisis could jeopardise operations at 11 of Lithuania's 28 commercial banks and expressed fears of a run on the banks by worried

depositors. There have been clashes this week at the innovation bank's headquarters between security guards and furious customers demanding their money back.

Government regulators said they had uncovered irregularities at the two banks this month after Innovation and Litimpeks requested permission to merge.

In parliament yesterday, several MPs demanded the resignation of Mr Ratkevicius, whose responsibilities include supervising the commercial banking sector.

But Mr Ratkevicius, who blamed the crisis on bad loans made several years ago, said he would take no decision until he had met the president and prime minister.

The financial turmoil in Lithuania echoes a banking crisis earlier this year in neighbouring Latvia, the offshore banking capital of the former Soviet Union. Its financial sector has not yet fully recovered.

## UK would gain from single EU time zone, says study

By George Parker, Political Staff, in London

Britain would gain significant economic and road safety benefits by moving the clocks forward an hour to central European time, a study commissioned by Brussels has concluded.

The report, disclosed on the eve of the shortest day of the year, will add weight to the campaign behind a Commons private members bill to bring British clocks into line with the rest of the EU.

The European Commission says the report, completed over 12 months by the UK farming agency Adas, proves conclusively that business would benefit from a standard time zone and that hundreds of road casualties in the UK could be avoided. It also suggests health and leisure benefits.

The Department of Transport yesterday added its voice to calls for lighter evenings in the UK. Figures provided by Mr Steven Norris, transport minister, estimated 110 road deaths could have been avoided last year if the clocks had been put forward an hour.

Despite overwhelming public support for Britain to move to "double summertime", a bill sponsored by Tory MP Mr John Burt Foster is almost certain to fail in the Commons next year.

Scots, led by the Scottish secretary Mr Michael Forsyth, plan to block the move on the grounds that it would lead to unacceptable dark mornings north of the border.

Mr Neil Kinnock, the European transport commissioner and former Labour leader, is expected to use the Adas report to put pressure on Britain to switch to central European time (CET).

He will hope that a Labour government would be more sympathetic to the idea.

The report concluded that a move to CET would provide the UK and Ireland with "similar economic, leisure, public health, tourism and road safety benefits currently enjoyed by continental countries".

After consulting hundreds of organisations, experts and companies across Europe, Adas concluded that an extra hour of daylight in the afternoons would cut road deaths, allow extra time for outdoor physical exercise and provide a boost to the tourism industry.

"Organisations involved in travel, trade and communications prefer any option without time difference," the report added.

Mr Kinnock's office said he would propose at a European transport council meeting next year that CET should be adopted across the EU, but that any decision would not be binding on the UK or Ireland.

## THE LEX COLUMN

### Allianz gets tough

If evidence were needed that the German insurance market is getting tougher, Allianz provided it yesterday. Between this nine-month period and the last one, Allianz's German non-life business has managed only a measly 2 per cent increase in premium income. Nor has life insurance done much to help: new business has dropped off substantially.

Two factors are at work here. Slowing economic growth has hit sales of life policies. And motor insurance, which accounts for a big chunk of group profits, has been opened up to competition: the costly regulatory system which propped up rates has fallen apart. In an attempt to retain its dominance of the German market, Allianz has already been aggressively rewriting its tariffs. And this process has further to go - not least because telephone selling of insurance has not yet had a chance to make a real impact.

Allianz may doubt that direct insurers can succeed in Germany, but it still has to compete with them. The company has the resources to put up a stiff fight, and may even see some of the direct insurers off. But its generous margins will come under heavy pressure in the process.

One would be hard-pressed, though, to spot these gloomy prospects in the share price. The reason is that the market pays little attention to Allianz's earnings - the shares trade on a multiple of nearly 40 times - because of the company's huge asset base. But if, as is likely, Allianz's profits come under pressure next year, investors will start to ask questions.

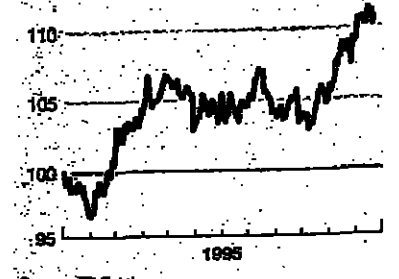
### SmithKline Beecham

SmithKline Beecham's DM200m (\$130m) purchase of Abtel, a German manufacturer of vitamins and minerals, gives the pharmaceuticals group a foothold in Europe's biggest market. It is also SmithKline's first foray into selling medicines through supermarkets rather than pharmacies. Abtel is the leader in Germany's rapidly growing, \$385m-a-year market with a 20 per cent share.

Coming just two days after Glaxo Wellcome sold the bulk of its over-the-counter products for \$1bn, the deal underlines the diverging strategies of the big UK drug companies. SmithKline is turning itself into a broadly-based healthcare group, spanning prescription medicines, consumer products and drug distribution. Glaxo, by contrast, is concentrating on research into patented drugs and pursuing mar-

ket share and cost savings by buying rivals like Wellcome. Zeneca is likewise increasingly focusing on drugs, but has dipped a toe into the hospital industry through its acquisition of Salk cancer clinics.

These strategies are unlikely to prove equally successful. The drugs sector has had a splendid 1995, with the three big groups outperforming the market by between 15 per cent (Glaxo) and 27 per cent (SmithKline). These premium ratings are supported by the prospect of further takeover activity and the renewed popularity of defensive stocks. In the longer term, though, a strong pipeline of innovative medicines will remain the key. In that respect, SmithKline and Zeneca look well placed while Glaxo has yet to deal with the patent expiry of two major products.



Source: FT Data

2000-2 and EBS has reduced the need for more personal broking services. Money-brokers may not disappear; they can explain trading options to clients in a way that screens cannot. But margins are under pressure, even in newer markets such as derivatives broking where products are rapidly becoming commodities.

In a diverse industry made up of relatively small, independent companies, there may be some victims. Even among the survivors more job losses are likely. Trio has cut staff from 900 a year ago to 500. The greater transparency of financial markets is not a reversible trend. The money-broking industry, which has always been highly competitive, is likely to shrink rapidly in order to adapt to new market conditions.

### UK economy

The government's much maligned 1996 growth forecast of 3 per cent is beginning to look almost achievable. The latest pointers are a smaller than expected £1.3bn third quarter current account deficit and a substantial downward revision of the second quarter deficit, with a fall in savings and higher consumer spending.

But there are snags. Any increase in fourth quarter gross domestic product growth will make it harder to reach next year's target, by raising the average on which 1996 growth is calculated. Furthermore, destocking means companies may find it difficult to increase production. Worse, the UK's export-led recovery could come under threat from the weakness of European markets, even though the weak pound is helping British companies remain competitive.

But the main pitfall is the still unpredictable level of consumer confidence. The recent pick-up in retail sales and some signs of life in the depressed housing market bode well for stronger consumer spending, which is likely to be the main motor of economic growth. But these bonuses are from a low base, and may reflect low borrowing costs or seasonal distortions. Job insecurity and low pay awards - which may be structural changes rather than cyclical trends - continue to overhang the economy. The danger is that the government could embark on over-enthusiastic easing of interest rates in an attempt to deliver its own growth forecast.

Additional Lex comment on Forte, Page 22

## Taiwan to liberalise rules governing foreign investors

By Peter Harnsen in Taipei

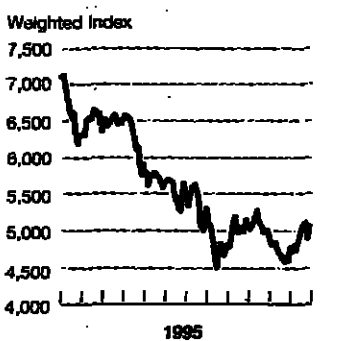
Taiwan is to allow foreign investors on the island's stock exchange to repatriate their capital more freely, as one of a series of liberalisation measures which may next year include opening the market to individuals from abroad.

According to the finance ministry, which expects the new rules to take effect within a few days, this means an end to previous regulations forcing foreign institutional investors to keep the principal of their capital invested on the stock market for a three-month period before remittance.

A related rule obliging foreign investors to remit earnings only once a year will also be removed, the ministry said.

"It's wonderful. If, as we expect, it means foreigners can remit freely, I believe the local market will see a rally very soon," said Mr Philip Liu, manager of international institutional sales at Jardine Fleming Taiwan. The main effect of the move should not be expected until after Taiwan's presidential election

### Taiwan's stock market



Source: FT Data

next March removes some of the political uncertainty depressing the market, he added. But in response to the news the Taipei weighted index yesterday jumped 129.01 points, or 2.6 per cent, to close at 5,093.85.

Yesterday's decision comes on top of plans by the central bank to raise the ceiling for foreign institutional investors from US\$200m to \$400m. According to the finance ministry, which has received the bank's proposal for

endorsement, the increase could take effect before the end of the year.

Analysts generally doubt that the new higher ceiling will mean any significant increase in the amount of foreign investment made in Taiwan.

"Definitely, the new ceiling will give more room for applicants, but obviously \$400m is quite a bit. I think the effect will be minimal except for large institutions which wish to increase their holding," Mr Joseph Yeh, sales director at Baring Securities' Taiwan branch, said.

More change may be on the way. So far, only institutional investors can enter the stock market, but the finance ministry hopes it will be able to allow the entry of foreign individual investors as early as February, and let each person invest up to a tentative \$5m.

The ministry is considering revising a rule under which foreign ownership of shares in Taiwanese companies cannot exceed 15 per cent, a limit reached for some of the most attractive investments already.

## Virgin nears deal with Janet Jackson

Continued from Page 1

Ms Jackson, 39, whose *Design Of A Decade* greatest hits album is now in the US and UK Top 20s, was originally signed to a label owned by PolyGram, a subsidiary of Philips, the Dutch electronics group.

She switched to Virgin in 1991 after negotiating a \$50m deal with Mr Richard Branson, its then-owner. Under the terms of that agreement she was required

to record two albums. Virgin has since released *janet* and *janet remixed* with combined sales of around 10m copies.

In the middle of this year Ms Jackson and her advisers started negotiating a new contract with Virgin and rival labels, including PolyGram and DreamWorks SKG, the entertainment company co-founded by Mr David Geffen, the billionaire music mogul.

Neither PolyGram nor DreamWorks is prepared to meet Ms

Jackson's terms. She hopes to secure a contract worth \$80m. Both companies are believed to have withdrawn, leaving Virgin to finalise negotiations.

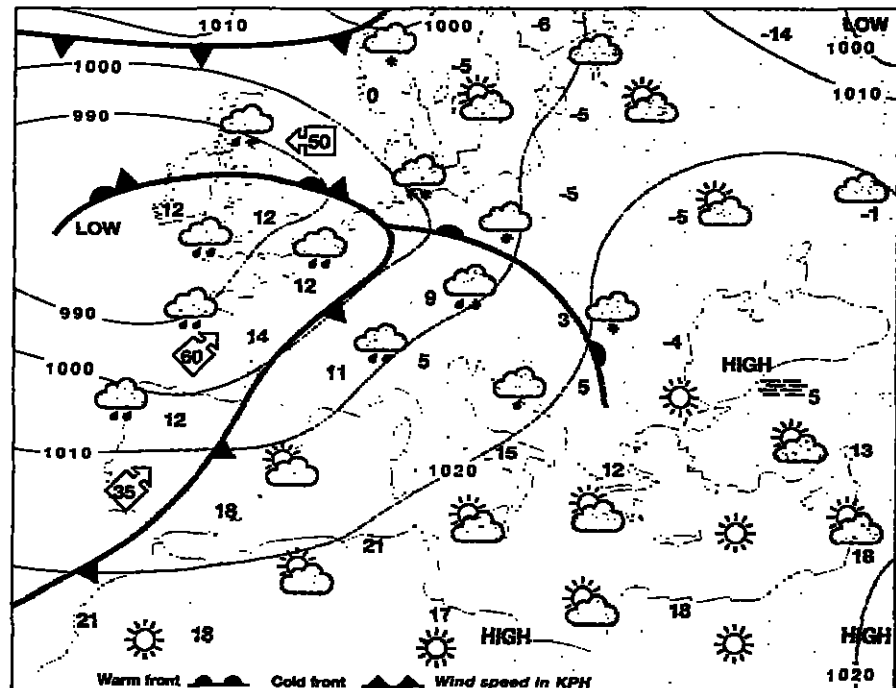
Virgin, which liaised with DreamWorks this summer to sign George Michael in a \$50m deal, is eager to resign Janet Jackson. Mr Branson used its original contract with her and another with the Rolling Stones to enhance Virgin's price when he sold it to Thorn EMI in 1992.

### Europe today

Low pressure over south-west Britain will bring heavy rain to large areas of Europe. England, Ireland, France and the Benelux will be cloudy and wet, and can expect afternoon temperatures several degrees above the seasonal average. The western Iberian peninsula will have heavy rain, but eastern Spain will be dry with sunny spells. The southern Alps and northern Italy will also have heavy rain, but areas north of the Alps will be dry with sunny spells. There will be rain and snow to the west of the Alps. North-east Europe will remain cloudy and dry.

### Five-day forecast

In eastern Europe snow will turn to rain as temperatures rise. However, in western Europe cool air will move south, bringing wintry showers to the northern UK and Benelux. Low pressure will continue to approach from the west, and conditions will be changeable in the UK and the north-west of mainland Europe. Scandinavia will remain cold and wet, while heavy rain is expected in central Europe.



### TODAY'S TEMPERATURES

Location	Max	Min	Weather
Abu Dhabi	34	24	clear
Accra	30	24	cloudy
Algiers	21	16	showers
Amsterdam	18	13	showers
Athens	13	8	sun
Atlanta	18	13	rain
B. Aires	29	24	snow
B. ham	11	6	chaps
Bangkok	33	28	sun
Barcelona	16	11	sun

Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

3 Caracas	21 Faro	18 Madrid	12 Rangoon	32
6 Cardiff	11 Frankfurt	11 Mallorca	19 Reykjavik	6
4 Casablanca	20 Geneva	11 Malta	17 Rio	28
1 Chicago	3 Gibraltar	17 Manchester	19 Rome	15
15 Cologne	12 Glasgow	17 Manila	30 S. Frisco	14
18 Dakar	26 Hamburg	0 Melbourne	18 Seoul	5
23 Dallas	22 Helsinki	4 Mexico City	20 Singapore	31
13 Delhi	23 Hong Kong	21 Miami	22 Stockholm	8
24 Dusseldorf	24 Honolulu	29 Milan	4 Strasbourg	13
5 Istanbul	5 Montreal	2 snow	2 Sydney	22
12 Jakarta	32 Moscow	9 Tangier	18 Tokyo	18
14 Jersey	14 Munich	11 Tel Aviv	20	
18 Karachi	18 Nairobi	11 Toronto	9	
18 Kuwait	18 Naples	15 Toronto	4	
19 L. Angeles	19 Nassau	25 Vancouver	5	
24 Lima	23 New York	14 Venice	8	
18 Lisbon	17 Nicotia	14 Warsaw	4	
13 London	13 Oslo	4 Washington	5	
12 Luxembourg	12 Paris	13 Wellington	11	
13 Lyon	13 Perth	26 Winnipeg	7	
18 Madeira	21 Prague	2 Zurich	11	



Our service starts long before take-off.

Lufthansa

Joyeux Noël  
Fröhliche Weihnachten  
Feliz Navidad  
Buon Natale  
God Jul  
Glaedelig Jul

To say more than "Happy Christmas" to your clients and colleagues at home and abroad in 1996.....

....call Linguarama today

**Linguarama**  
Language Training for Business

38 centres in 12 countries

London 0171 236 1992

Paris (1) 47 73 00 95 Frankfurt (069) 28 02 46 Milan (02) 58 30 69 93

Madrid (91) 555 04 85 Vienna (01) 512 22 94 Prague (02) 74 48 89

Helsinki (90) 680 32 30 Warsaw (022) 628 72 91 The Hague (070) 364 58 38

Budapest (1) 111 94 66 Tokyo (03) 35 81 67 41

مساحة الإعلان





## INTERNATIONAL COMPANIES AND FINANCE

## EUROPEAN NEWS DIGEST

## Fiat stake helps Ifi to L373bn profit

Ifi, the Agnelli family holding company, made a pre-tax consolidated profit of L373bn (\$234m) in the six months to June 30, partly because of increased contributions from its direct and indirect stake in Fiat. Ifi is changing its accounting year-end from March 30 to December 31 this year. No comparative figures were given. As at June 30, the consolidated value of the group's holdings, on a net equity basis, stood at L4,716bn, a L293bn increase since December 31. The parent company's holdings were valued at L3,650bn at September 30. At current market prices, Ifi said there was a potential capital gain of L3,000bn on the parent company's portfolio.

Andrew Hill, Milan

## SAP in telecoms software deal

SAP, the fast-growing German business software company, will form a joint venture with Deutsche Telekom to develop telecommunications software. It aims to produce its first software for the sector in 1998. Deutsche Telekom will buy a 50 per cent stake in SAP Solutions, a small SAP subsidiary which specialises in software applications. Development work will be based on SAP's successful R/3 business software.

Andrew Fisher, Frankfurt

## Hoechst sells ceramics unit

Metallgesellschaft, the once nearly bankrupt German company now back in profit, yesterday said it had agreed to buy Hoechst Ceram Tec, an industrial ceramics company, from the Hoechst chemicals group. The deal marks a continuation of Metallgesellschaft's restructuring which followed its near collapse through heavy US oil trading losses two years ago. The group also said this week it had sold its Berzelius primary lead smelter in Germany and stakes in five secondary lead smelters in Europe and the Middle East to Qexco of the US.

Andrew Fisher

## AT&amp;T acquires Philips units

Philips, the Dutch electronics group, has sold parts of its loss-making communications business to AT&T of the US, in a deal to be completed early 1996. This follows Philips' preliminary announcement in late July that AT&T wanted to buy four sectors of its public telephony business - cellular infrastructure systems, managed transport networks, microwave transmission and transmission.

Ronald van de Krol, Amsterdam

## Aegon lifts UK insurer's capital

Aegon, the Dutch insurance group, is injecting a further £325m (\$500m) capital into Scottish Equitable, its UK life insurance subsidiary, allowing it to gain access to all the company's operating profits over the next three years. The move is in line with the initial agreement when Scottish Equitable, formerly a mutual life office, was taken over by Aegon at the start of 1994. The structure of that deal provided for a gradual shift of operating profits from the "with-profits policyholders", individual investors who owned the life office when it was a mutual, to the company's new owners.

Alison Smith, Investment Correspondent

Electrolux of Sweden is to sell its Constructor materials handling division - with annual turnover of SKr1.5bn (\$225m) - to the US-Norwegian company Resource Group International. Terms were not given.

Hugh Carnegie, Stockholm

## Setback for Polish telecoms venture

By Christopher Bobinski in Warsaw

Poland's efforts to attract foreign investors to develop its mobile telecommunications system suffered a blow yesterday, when Veba Telecom and Telecom Finland announced they would not bid in a forthcoming tender for two digital GSM operating licences.

The two companies, which had been part of a consortium headed by Optimus, a listed local computer company, cited the high licence fee as the reason for the decision.

"The expected financial return is not sufficient to support the level of investment and risk in the project," said Dr Michael Paetsch of Vebacom.

The other foreign partners in the consortium, Kinnevik of Sweden and Milkom Cellular of Luxembourg, have also withdrawn. This leaves Optimus and its local partners, which include the Polish Development Bank, to seek foreign support elsewhere.

The initial licence fee for the project is set at Ec100m (\$78.54m) with bidders being asked to make additional annual payments in the initial stages of the scheme. The total investment cost for each licence is estimated at about \$1.2bn. Foreign partners are allowed no more than a 49 per cent stake in a consortium.

The decisions leave several other groups preparing bids which have to be made by January 3.

Air Touch and TeleDanmark have teamed up with a number of local groups such as the Flock refinery and PSE, the state-owned power grid.

Deutsche Telekom Mobile has linked with Elektrik, a listed trading and industrial group. US West has been in discussions with the two companies and is considering whether to join them.

Clech, a state owned chemicals and pharmaceuticals trader, is planning to bid for a licence backed by Stet of Italy, while a fourth consortium is being put together by RP Telekom, a local privately-owned telecoms operator.

## Consob turns to courts for interpretation

Financial markets watchdog wants Italy's takeover laws clarified, writes Andrew Hill

For a man who spends much of his time mapping his way across the shifting sands of Italian takeover legislation, Mr Enzo Berlanda, president of Consob, Italy's financial markets watchdog and takeover authority, is remarkably calm.

Mr Berlanda, a 68-year-old accountant and former Italian senator, is at the centre of the controversy surrounding the destiny of Ferruzzi Finanziaria (Ferfin), the holding company which controls two other quoted companies, the Montedison industrial group and Fondiaria, the insurer.

Today the State Council, one of Italy's highest courts, should examine an appeal by Mediobanca, the Milan merchant bank, against Consob's ruling that the bank must launch a public offer for more shares in Ferfin.

Mediobanca says it built up a 9.95 per cent stake in October as a defensive move. Consob - which won the first round in a Rome regional court last week - believes Mediobanca wanted to consolidate an industrial investment. That should end Ferfin's special treatment by Consob, which dates from 1993 when Mediobanca and creditor banks agreed a plan to rescue Ferfin from near-bankruptcy. As Mr Berlanda put it in an interview this week: "Mediobanca's acquisition of these shares is the signal that we have moved away from the rescue plan."

For outsiders, this row over interpretation of Italy's 1992 takeover law seems esoteric and foreign institutional invest-



Enzo Berlanda: sees positive impact overall from Italy's takeover laws

tors are standing on the sidelines while the debate rages on.

But although he is reluctant to talk about the issue in detail ahead of the State Council hearing, Mr Berlanda believes it is an important test case for Consob and the markets.

He says the outcome is important, partly because Consob wants to clear up the short-term uncertainty over whether Mediobanca will launch a public offer and for how many shares. Confusion is casting a shadow over Ferfin's attempt to raise L953bn (\$598m) through a rights issue. The result could also act as a useful precedent. There has only been one previous challenge to Consob ruling on takeovers, in which the State Council backed the authority.

Mr Berlanda is too diplomatic to add that the Consob ruling is also of interest because it marks a challenge to

Mediobanca, the house bank of Italy's business establishment, which still exercises a disproportionate influence over the bourse. Indeed, those siding with the takeover authority like to describe the case as Mediobanca versus the markets, rather than Mediobanca versus Consob.

Using court precedents to tidy up Italy's messy takeover laws is only one way of tightening market regulation, however. Mr Berlanda has also tabled amendments to the law. If adopted by parliament, these would set a common shareholding threshold above which investors would have to launch bids, ending the current confused situation in which the level of "control" is different for each company.

Another amendment would clamp down on investors acting together in concert parties.

In Italy, concert party acquisition of shares is outlawed in privatisations (partly to prevent Mediobanca and its allies building up undue influence), but not in other quoted companies. "In other countries concert party action is either allowed or it's not, but if it's allowed, it's allowed for everyone," he says.

Challenging concert parties would also involve clarifying the situation at those companies which are controlled by a shareholder pact or syndicate. Mr Berlanda concedes such agreements can provide stability for quoted groups but adds: "We need to set criteria to judge whether a coalition [of investors] is in a concert party or is simply a shareholder pact."

He estimates shareholder syndicates control 15 of the largest groups on the stock market, while 30 per cent of the bourse's market capitalisa-

tion is accounted for by "Chinese boxes" - holding companies which have as their main asset another quoted company. Mr Berlanda can really only wait for this phenomenon, which includes some of Italy's best-known corporate names such as the De Benedetti family, to die out. Consob has already said it will not admit new Chinese boxes to the listing, but Mr Berlanda says he cannot prevent them raising money through rights issues, as some centre-left politicians have suggested, because that would unjustly penalise existing shareholders.

Mr Berlanda may acknowledge that Italy's takeover rules are unsatisfactory, but he believes the overall impact has been positive. Since 1992 more than 50 takeovers have been triggered, which at least means minority shareholders are no longer unwarewared when control changes hands. "I'm cross about how the law turned out, because it could have been better, but it has not had a negative effect," he says.

Reform would improve the situation, according to the Consob president, and might give more discretion to Consob to exercise its powers within fixed general guidelines. But Mr Berlanda believes Italians are not yet ready to adopt a UK-style takeover code based on commonly accepted principles.

As the Mediobanca-Ferfin case suggests, Italians are quick to defend themselves with the letter of the law, when disputes arise, however unclear the law itself may be.

## El Corte Inglés relaunches Galerías Preciados

By Tom Burns in Madrid

El Corte Inglés, the Spanish department store chain which acquired its chief rival, the troubled Galerías Preciados chain, in a Pta30bn (\$244m) acquisition six months ago, is set to cash in on the Pta50bn it has spent revamping its former competitor.

Spain's biggest privately-owned business group, with a consolidated turnover for the 1994-1995 financial year of Pta1,015bn and net profits of

Pta33.5bn, has relaunched 33 Galerías stores under its own logo and added them to its 32 big outlets in time for the Christmas spending spree.

El Corte Inglés has built strong customer loyalty by selling products for all sections of society. With the acquisition it has spread its geographical reach to a further 13 mid-sized towns.

The real retail interest of the Galerías purchase is that it has allowed El Corte Inglés to experiment with specialised

stores in big cities such as Madrid, Barcelona, Valencia and Seville, where the chains formerly competed.

"Specialisation is the trend of the retail industry and we are going to try it out where possible. In March we will take stock and decide whether to pursue it," said Ms Rosa Alvarez, the group's communications director.

The experiment brings El Corte Inglés into the market segmentation territory, developed by US retailers such as

Toys R Us, that are known in the industry as "category killers". One five-store former Galerías store in central Madrid that stands close to a similarly big Corte Inglés building has been filled with toys for the Christmas market.

The group's strategists believe that once the Christmas rush is over, this new store could be reconverted into a competitor to the French Fnac group, which has recently opened in Madrid, offering records, videos and

books to the youth market. Analysts believe El Cortes Inglés will be able to absorb Galerías with ease.

The chief problem at Galerías, which ran up losses of Pta39bn over the past six years, was that it had had six different owners since the mid-1970s. "Management at Galerías was so disoriented it had forgotten how to sell," said Mr Mas of Madrid securities house FG. "That has never been a problem at El Corte Inglés." US losses urge to shop, Page 20

New Issue

This announcement appears as a matter of record only.

December 1995



THE SHIBUSAWA WAREHOUSE CO., LTD.

U.S. \$100,000,000

2½ per cent. Notes 1999

with  
Warrants

to subscribe for shares of common stock of The Shibusawa Warehouse Co., Ltd.

Issue Price 100 per cent.

Yamaichi International (Europe) Limited

DKB International

Nikko Europe Plc

Robert Fleming & Co. Limited

Goldman Sachs International

Asahi Finance (U.K.) Ltd.

Barclays de Zoete Wedd Limited

CS First Boston

Deutsche Morgan Grenfell

IBJ International plc

Kankaku (Europe) Limited

Marusan Europe Limited

Morgan Stanley & Co.

Nippon Credit International Limited

Norinchukin International plc

SBC Warburg  
A DIVISION OF SWISS BANK CORPORATION

## CELLULITE CREAM?

Not quite what she wants to find in her Christmas stocking, so leg it over to The Ultimate Beauty Department on The Ground Floor, HARVEY NICHOLS, KNIGHTSBRIDGE, LONDON W1T 2LS 5000

INOW OPEN EVERY SUNDAY, 12-5PM

PANIC BUYING  
© HARVEY NICHOLS

## BANCO DI NAPOLI

US\$ 100,000,000  
SUBORDINATED FLOATING RATE  
DEPOSITARY RECEIPTS DUE 1996

Notice is hereby given that, in accordance with the provisions of the above mentioned Floating Rate Depositary Receipts, the rate of interest for the six months period from December 21, 1995 to June 21, 1996 (183 days) has been fixed at 6.33069% per annum.

The interest payable on June 21, 1996 will be US\$ 321.76 in respect of each US\$ 100,000 Note and US\$ 3,217.59 in respect of each US\$ 100,000,000 Note.

Agent Bank

BANQUE INTERNATIONALE  
A LUXEMBOURG

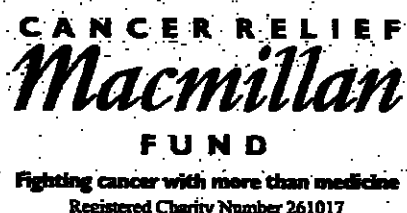
U.S. \$150,000,000  
HSBC American, Inc.  
Floating Rate  
Subordinated Notes Due 2009  
Interest Rate 5.875% per annum  
Interest Period 22nd December 1995 to 22nd March 1996  
Interest Arising due 22nd March 1996  
per U.S. \$150,000,000 U.S. \$148.51  
per U.S. \$150,000,000 U.S. \$142.51  
U.S. First Boston  
Agent

U.S. \$50,000,000,000  
Province de Québec  
Floating Rate Notes Due 1999  
Notice is hereby given that for the interest period from December 22, 1995 to March 22, 1996 the Notes will carry an interest rate of 0.65313%.  
The interest payable on the relevant interest payment date, March 22, 1996 will be \$425,484 per \$500,000,000 nominal amount.  
By: The Citicorp Bank, N.A.  
London, Agent Bank  
December 22, 1995

Knight-Ridder's Futures Market Datasheet for Only \$695  
The best selling Knight-Ridder's Futures Market Datasheet is now available for only \$695. It contains all the latest market data and analysis for the major futures markets. It is a must-have for all futures traders.  
\$1295 worth of data and software for just \$695 plus postage and packing.  
Here are some of the features of this Datasheet: 1. First Edition, 1995. 2. 1000 Pages. 3. 1000 Charts. 4. 1000 Tables. 5. 1000 Figures. 6. 1000 Graphs. 7. 1000 Diagrams. 8. 1000 Pictures. 9. 1000 Videos. 10. 1000 Audio Clips. 11. 1000 Animations. 12. 1000 Games. 13. 1000 Puzzles. 14. 1000 Trivia Questions. 15. 1000 Fun Facts. 16. 1000 Interesting Stories. 17. 1000 Amazing Discoveries. 18. 1000 Incredible Feats. 19. 1000 Remarkable Achievements. 20. 1000 Outstanding Performances. 21. 1000 Extraordinary Events. 22. 1000 Unbelievable Moments. 23. 1000 Astonishing Facts. 24. 1000 Bizarre Tales. 25. 1000 Strange Stories. 26. 1000 Weird Facts. 27. 1000 Crazy Ideas. 28. 1000 Silly Jokes. 29. 1000 Funny Pictures. 30. 1000 Hilarious Videos. 31. 1000 Amusing Games. 32. 1000 Challenging Puzzles. 33. 1000 Intriguing Trivia Questions. 34. 1000 Fascinating Fun Facts. 35. 1000 Amazing Discoveries. 36. 1000 Incredible Feats. 37. 1000 Remarkable Achievements. 38. 1000 Outstanding Performances. 39. 1000 Extraordinary Events. 40. 1000 Unbelievable Moments. 41. 1000 Astonishing Facts. 42. 1000 Bizarre Tales. 43. 1000 Strange Stories. 44. 1000 Weird Facts. 45. 1000 Crazy Ideas. 46. 1000 Silly Jokes. 47. 1000 Funny Pictures. 48. 1000 Hilarious Videos. 49. 1000 Amusing Games. 50. 1000 Challenging Puzzles. 51. 1000 Intriguing Trivia Questions. 52. 1000 Fascinating Fun Facts. 53. 1000 Amazing Discoveries. 54. 1000 Incredible Feats. 55. 1000 Remarkable Achievements. 56. 1000 Outstanding Performances. 57. 1000 Extraordinary Events. 58. 1000 Unbelievable Moments. 59. 1000 Astonishing Facts. 60. 1000 Bizarre Tales. 61. 1000 Strange Stories. 62. 1000 Weird Facts. 63. 1000 Crazy Ideas. 64. 1000 Silly Jokes. 65. 1000 Funny Pictures. 66. 1000 Hilarious Videos. 67. 1000 Amusing Games. 68. 1000 Challenging Puzzles. 69. 1000 Intriguing Trivia Questions. 70. 1000 Fascinating Fun Facts. 71. 1000 Amazing Discoveries. 72. 1000 Incredible Feats. 73. 1000 Remarkable Achievements. 74. 1000 Outstanding Performances. 75. 1000 Extraordinary Events. 76. 1000 Unbelievable Moments. 77. 1000 Astonishing Facts. 78. 1000 Bizarre Tales. 79. 1000 Strange Stories. 80. 1000 Weird Facts. 81. 1000 Crazy Ideas. 82. 1000 Silly Jokes. 83. 1000 Funny Pictures. 84. 1000 Hilarious Videos. 85. 1000 Amusing Games. 86. 1000 Challenging Puzzles. 87. 1000 Intriguing Trivia Questions. 88. 1000 Fascinating Fun Facts. 89. 1000 Amazing Discoveries. 90. 1000 Incredible Feats. 91. 1000 Remarkable Achievements. 92. 1000 Outstanding Performances. 93. 1000 Extraordinary Events. 94. 1000 Unbelievable Moments. 95. 1000 Astonishing Facts. 96. 1000 Bizarre Tales. 97. 1000 Strange Stories. 98. 1000 Weird Facts. 99. 1000 Crazy Ideas. 100. 1000 Silly Jokes. 101. 1000 Funny Pictures. 102. 1000 Hilarious Videos. 103. 1000 Amusing Games. 104. 1000 Challenging Puzzles. 105. 1000 Intriguing Trivia Questions. 106. 1000 Fascinating Fun Facts. 107. 1000 Amazing Discoveries. 108. 1000 Incredible Feats. 109. 1000 Remarkable Achievements. 110. 1000 Outstanding Performances. 111. 1000 Extraordinary Events. 112. 1000 Unbelievable Moments. 113. 1000 Astonishing Facts. 114. 1000 Bizarre Tales. 115. 1000 Strange Stories. 116. 1000 Weird Facts. 117. 1000 Crazy Ideas. 118. 1000 Silly Jokes. 119. 1000 Funny Pictures. 120. 1000 Hilarious Videos. 121. 1000 Amusing Games. 122. 1000 Challenging Puzzles. 123. 1000 Intriguing Trivia Questions. 124. 1000 Fascinating Fun Facts. 125. 1000 Amazing Discoveries. 126. 1000 Incredible Feats. 127. 1000 Remarkable Achievements. 128. 1000 Outstanding Performances. 129. 1000 Extraordinary Events. 130. 1000 Unbelievable Moments. 131. 1000 Astonishing Facts. 132. 1000 Bizarre Tales. 133. 1000 Strange Stories. 134. 1000 Weird Facts. 135. 1000 Crazy Ideas. 136. 1000 Silly Jokes. 137. 1000 Funny Pictures. 138. 1000 Hilarious Videos. 139. 1000 Amusing Games. 140. 1000 Challenging Puzzles. 141. 1000 Intriguing Trivia Questions. 142. 1000 Fascinating Fun Facts. 143. 1000 Amazing Discoveries. 144. 1000 Incredible Feats. 145. 1000 Remarkable Achievements. 146. 1000 Outstanding Performances. 147. 1000 Extraordinary Events. 148. 1000 Unbelievable Moments. 149. 1000 Astonishing Facts. 150. 1000 Bizarre Tales. 151. 1000 Strange Stories. 152. 1000 Weird Facts. 153. 1000 Crazy Ideas. 154. 1000 Silly Jokes. 155. 1000 Funny Pictures. 156. 1000 Hilarious Videos. 157. 1000 Amusing Games. 158. 1000 Challenging Puzzles. 159. 1000 Intriguing Trivia Questions. 160. 1000 Fascinating Fun Facts. 161. 1000 Amazing Discoveries. 162. 1000 Incredible Feats. 163. 1000 Remarkable Achievements. 164. 1000 Outstanding Performances. 165. 1000 Extraordinary Events. 166. 1000 Unbelievable Moments. 167. 1000 Astonishing Facts. 168. 1000 Bizarre Tales. 169. 1000 Strange Stories. 170. 1000 Weird Facts. 171. 1000 Crazy Ideas. 172. 1000 Silly Jokes. 173. 1000 Funny Pictures. 174. 1000 Hilarious Videos. 175. 1000 Amusing Games. 176. 1000 Challenging Puzzles. 177. 1000 Intriguing Trivia Questions. 178. 1000 Fascinating Fun Facts. 179. 1000 Amazing Discoveries. 180. 1000 Incredible Feats. 181. 1000 Remarkable Achievements. 182. 1000 Outstanding Performances. 183. 1000 Extraordinary Events. 184. 1000 Unbelievable Moments. 185. 1000 Astonishing Facts. 186. 1000 Bizarre Tales. 187. 1000 Strange Stories. 188. 1000 Weird Facts. 189. 1000 Crazy Ideas. 190. 1000 Silly Jokes. 191. 1000 Funny Pictures. 192. 1000 Hilarious Videos. 193. 1000 Amusing Games. 194. 1000 Challenging Puzzles. 195. 1000 Intriguing Trivia Questions. 196. 1000 Fascinating Fun Facts. 197. 1000 Amazing Discoveries. 198. 1000 Incredible Feats. 199. 1000 Remarkable Achievements. 200. 1000 Outstanding Performances. 201. 1000 Extraordinary Events. 202. 1000 Unbelievable Moments. 203. 1000 Astonishing Facts. 204. 1000 Bizarre Tales. 205. 1000 Strange Stories. 206. 1000 Weird Facts. 207. 1000 Crazy Ideas. 208. 1000 Silly Jokes. 209. 1000 Funny Pictures. 210. 1000 Hilarious Videos. 211. 1000 Amusing Games. 212. 1000 Challenging Puzzles. 213. 1000 Intriguing Trivia Questions. 214. 1000 Fascinating Fun Facts. 215. 1000 Amazing Discoveries. 216. 1000 Incredible Feats. 217. 1000 Remarkable Achievements. 218. 1000 Outstanding Performances. 219. 1000 Extraordinary Events. 220. 1000 Unbelievable Moments. 221. 1000 Astonishing Facts. 222. 1000 Bizarre Tales. 223. 1000 Strange Stories. 224. 1000 Weird Facts. 225. 1000 Crazy Ideas. 226. 1000 Silly Jokes. 227. 1000 Funny Pictures. 228. 1000 Hilarious Videos. 229. 1000 Amusing Games. 230. 1000 Challenging Puzzles. 231. 1000 Intriguing Trivia Questions. 232. 1000 Fascinating Fun Facts. 233. 1000 Amazing Discoveries. 234. 1000 Incredible Feats. 235. 1000 Remarkable Achievements. 236. 1000 Outstanding Performances. 237. 1000 Extraordinary Events. 238. 1000 Unbelievable Moments. 239. 1000 Astonishing Facts. 240. 1000 Bizarre Tales. 241. 1000 Strange Stories. 242. 1000 Weird Facts. 243. 1000 Crazy Ideas. 244. 1000 Silly Jokes. 245. 1000 Funny Pictures. 246. 1000 Hilarious Videos. 247. 1000 Amusing Games. 248. 1000 Challenging Puzzles. 249. 1000 Intriguing Trivia Questions. 250. 1000 Fascinating Fun Facts. 251. 1000 Amazing Discoveries. 252. 1000 Incredible Feats. 253. 1000 Remarkable Achievements. 254. 1000 Outstanding Performances. 255. 1000 Extraordinary Events. 256. 1000 Unbelievable Moments. 257. 1000 Astonishing Facts. 258. 1000 Bizarre Tales. 259. 1000 Strange Stories. 260. 1000 Weird Facts. 261. 1000 Crazy Ideas. 262. 1000 Silly Jokes. 263. 1000 Funny Pictures. 264. 1000 Hilarious Videos. 265. 1000 Amusing Games. 266. 1000 Challenging Puzzles. 267. 1000 Intriguing Trivia Questions. 268. 1000 Fascinating Fun Facts. 269. 1000 Amazing Discoveries. 270. 1000 Incredible Feats. 271. 1000 Remarkable Achievements. 272. 1000 Outstanding Performances. 273. 1000 Extraordinary Events. 274. 1000 Unbelievable Moments. 275. 1000 Astonishing Facts. 276. 1000 Bizarre Tales. 277. 1000 Strange Stories. 278. 1000 Weird Facts. 279. 1000 Crazy Ideas. 280. 1000 Silly Jokes. 281. 1000 Funny Pictures. 282. 1000 Hilarious Videos. 283. 1000 Amusing Games. 284. 1000 Challenging Puzzles. 285. 1000 Intriguing Trivia Questions. 286. 1000 Fascinating Fun Facts. 287. 1000 Amazing Discoveries. 288. 1000 Incredible Feats. 289. 1000 Remarkable Achievements. 290. 1000 Outstanding Performances. 291. 1000 Extraordinary Events. 292. 1000 Unbelievable Moments. 293. 1000 Astonishing Facts. 294. 1000 Bizarre Tales. 295. 1000 Strange Stories. 296. 1000 Weird Facts. 297. 1000 Crazy Ideas. 298. 1000 Silly Jokes. 299. 1000 Funny Pictures. 300. 1000 Hilarious Videos. 301. 1000 Amusing Games. 302. 1000 Challenging Puzzles. 303. 1000 Intriguing Trivia Questions. 304. 1000 Fascinating Fun Facts. 305. 1000 Amazing Discoveries. 306. 1000 Incredible Feats. 307. 1000 Remarkable Achievements. 308. 1000 Outstanding Performances. 309. 1000 Extraordinary Events. 310. 1000 Unbelievable Moments. 311. 1000 Astonishing Facts. 312. 1000 Bizarre Tales. 313. 1000 Strange Stories. 314. 1000 Weird Facts. 315. 1000 Crazy Ideas. 316. 1000 Silly Jokes. 317. 1000 Funny Pictures. 318. 1000 Hilarious Videos. 319. 1000 Amusing Games. 320. 1000 Challenging Puzzles. 321. 1000 Intriguing Trivia Questions. 322. 1000 Fascinating Fun Facts. 323. 1000 Amazing Discoveries. 324. 1000 Incredible Feats. 325. 1000 Remarkable Achievements. 326. 1000 Outstanding Performances. 327. 1000 Extraordinary Events. 328. 1000 Unbelievable Moments. 329. 1000 Astonishing Facts. 330. 1000 Bizarre Tales. 331. 1000 Strange Stories. 332. 1000 Weird Facts. 333. 1000 Crazy Ideas. 334. 1000 Silly Jokes. 335. 1000 Funny Pictures. 336. 1000 Hilarious Videos. 337. 1000 Amusing Games. 338. 1000 Challenging Puzzles. 339. 1000 Intriguing Trivia Questions. 340. 1000 Fascinating Fun Facts. 341. 1000 Amazing Discoveries. 342. 1000 Incredible Feats. 343. 1000 Remarkable Achievements. 344. 1000 Outstanding Performances. 345. 1000 Extraordinary Events. 346. 1000 Unbelievable Moments. 347. 1000 Astonishing Facts. 348. 1000 Bizarre Tales. 349. 1000 Strange Stories. 350. 1000 Weird Facts. 351. 1000 Crazy Ideas. 352. 1000 Silly Jokes. 353. 1000 Funny Pictures.

# ■ INTERCAPITAL ■

On 7th December 1995, Intercapital donated all revenue and commission earned by its London, New York, Hong Kong, Singapore and Australia offices, without any deduction to the following charities:-



The amount raised was  
**£477,212**

We would like to thank all our staff and the following clients for their outstanding support, as well as those publications which have donated space.

Abbey National Financial Products  
ABN AMRO Bank NV  
ABN AMRO Securities (UK) Ltd  
Advance Bank Australia  
AIB Bank Plc (Group Treasury)  
AIG Trading Corporation USA  
Alpha Credit Bank  
ASLK - CGER  
Australia & New Zealand Banking Group Ltd  
Baden Württembergische Bank AG  
Bain Capital Markets Ltd  
Banca Commerciale Italiana  
Banca Nazionale Dell' Agricoltura  
Banco Santander  
Bank Austria  
Bank Brussels Lambert NV  
Bank of America NT & SA  
Bank of America (Northern Territory,  
South Australia & Sydney)  
Bank of Montreal  
Bank of Nova Scotia  
Bank of Tokyo Capital Markets  
Bank of Tokyo (Deutschland) AG  
Bankers Trust Australia Ltd  
Bankers Trust International Plc  
Bankers Trust Company of New York  
Banque de Luxembourg SA  
Banque Indosuez  
Banque Indosuez Belgique SA  
Banque Indosuez Commodity Derivatives  
Banque Nationale de Paris  
Banque Paribas Ltd  
Banque Paribas Belgique SA  
Barclays Bank Plc  
Barclays de Zoete Wedd  
Barclays de Zoete Wedd Securities Ltd  
Bayerische Hypotheken und Wechsel Bank AG  
Bayerische Landesbank Girozentrale  
Bayerische Vereinsbank AG  
Bear Stearns Capital Markets Inc  
BNP Capital Markets Ltd  
BNP SA & Co.  
BP Oil International Ltd  
BZW Australia Ltd  
BZW Securities Ltd  
Caisse des Depots et Consignations  
Caisse Nationale de Crédit Agricole  
Canadian Imperial Bank of Commerce  
Cargill International SA  
Cassa di Risparmio di Bologna SPA  
Chase Manhattan Bank NA  
Chemical Australia Ltd  
Chemical Bank  
Chemical Investment Bank Ltd  
Christiana Bank  
Chuo Trust & Banking Co. Ltd  
Citibank Australia Ltd  
Citibank NA  
CLRD (A Division of Crédit Lyonnais SA)  
Commerz Financial Products  
Commonwealth Bank of Australia  
Compagnie Financière de CIC et de L'union Européenne  
Compagnie Parisienne de Reescompte Intermediation  
Conoco International Inc

County Natwest Australia Ltd  
Crédit Agricole Alternative Commodities  
Crédit Commercial de France  
Crédit Communal de Belgique SA  
Crédit Industriel et Commercial de Paris  
Crédit Lyonnais Belgium SA  
Crédit Lyonnais SA  
Crédit Suisse  
Crédit Suisse (Luxembourg) SA  
Crédit Suisse Financial Products  
Credito Italiano SPA  
Credito Milano SPA  
CS First Boston Australia Discount Ltd  
CS First Boston Ltd  
Daiwa Europe Ltd  
Den Danske Bank A/S  
Deutsche Bank AG  
DG Bank  
DKB Financial Products Inc  
Elf Trading (Geneva) SA  
Fin - Eco SIM  
Financial Times  
First National Bank of Chicago  
Fuji Capital Markets Corporation  
General Re Financial Products Corporation  
General Re Financial Securities Ltd  
Glencore International AG  
Goldman Sachs Capital Markets LP  
Goldman Sachs Euro Funding  
Hambros Bank Ltd  
Hambros Securities Australia Ltd  
Hill Samuel Bank Ltd  
Hong Kong & Shanghai Banking Corporation  
HSBC MIDLAND  
Hypo Bank  
IMI Bank (Lux) SA  
IMI Sigeco  
Industrial Bank of Japan  
ING Bank  
International Insider  
Istituto Bancario San Paolo di Torino SPA  
J Aron & Company (USA)  
J Henry Schroder & Co. Ltd  
Kleinwort Benson Ltd  
Kredietbank NV  
Landesbank Hessen Thuringen Girozentrale  
Lehman Brothers International  
Lehman Brothers Special Financing Inc  
London Global Securities  
Louis Dreyfus Finance (Banque) SA  
Mabanaft International Ltd  
Merrill Lynch (Asia Pacific) Ltd  
Merrill Lynch Capital Services Inc  
Merrill Lynch International (Australia) Ltd  
Merrill Lynch International Ltd  
MFS Communications Ltd  
Midland Bank Plc  
Mitsubishi Finance International Plc  
Mitsubishi Trust International Ltd  
Morgan Guaranty Trust Co. of New York  
Morgan Stanley & Co. International Ltd  
Morgan Stanley Capital Group Inc  
Morgan Stanley Capital Services Inc

Morgan Stanley International  
National Australia Bank  
National Bank of Greece  
National Westminster Bank Plc  
Nationsbank Carolinas  
Nations - CRT International  
Natwest Capital Markets (Australia) Ltd  
Natwest Markets Ltd  
Nikko Europe Plc  
Nikko Securities Co. Ltd  
Nomura Capital Services Inc  
Nomura International Plc  
Paine Webber International (UK) Ltd  
Paribas Ltd  
Rabobank Nederland  
Republic National Bank of New York  
RISK  
Rothschild Australia Discount Ltd  
Royal Bank of Canada  
Royal Bank of Scotland Plc  
Salomon Brothers Holding Co. Inc  
Salomon Brothers International Ltd  
Salomon Swapco Inc  
Sanwa Financial Products  
Sanwa International Plc  
SBC Warburg  
SBC Warburg Australia Ltd  
SBCM Derivative Products Ltd  
Shell UK Ltd  
Skandinaviska Enskilda Banken  
Smith Barney Europe Ltd  
Société Générale  
Standard Chartered Bank  
Sumitomo Bank Capital Markets  
Sumitomo Bank Ltd  
Svenska Handelsbanken  
Swiss Bank Corporation  
Swiss Bank Corporation Warburg  
The Asahi Bank Ltd  
The Bank of Tokyo  
The Bank of Yokohama Ltd  
The Dai - Ichi Kangyo Bank Ltd  
The Long Term Credit Bank of Japan Ltd  
The Mitsubishi Bank Ltd  
The Mitsubishi Trust & Banking Corporation  
The Mitsui Trust & Banking Co. Ltd  
The Nippon Credit Bank  
The Norinchukin Bank Plc  
The Sakura Bank Ltd  
The Sanwa Bank Ltd  
The Yasuda Trust & Banking Co. Ltd  
The Zenshinren Bank  
Trinkaus und Burkhardt KGAA  
TSB Bank Plc  
UBS Ltd  
UBS Securities Swaps Inc  
Unibank A/S  
Union Bank of Switzerland  
United Bank of Kuwait  
Westdeutsche Landesbank Girozentrale  
Westdeutsche Genossenschafts - Zentralbank AG  
Westpac Banking Corporation  
Yamaichi International (Europe) Ltd  
Yamaichi Securities Co. Ltd

And many others who wish to remain anonymous.

Approved by Intercapital Brokers Limited. Regulated by SFA











## DURBAN ROODEPOORT DEEP LIMITED

(Incorporated in the Republic of South Africa) Registration No. 010092606  
(the company)

### NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of ordinary and preferred ordinary shareholders of the Company ("members") will be held in the boardroom of Randgold & Exploration Company Limited, 5 Press Avenue, Selby, Johannesburg, at 1030 (South African time) on Friday, 19 January 1996, for the purpose of considering and, if deemed fit, passing, with or without modification, the following resolutions:

#### 1. Ordinary resolution number 1

"Resolved that the Durban Roodepoort Deep (1996) Share Option Scheme ("the Option Scheme"), which is Appendix A to the circular and notice of meeting dated 14 December 1995, be and is hereby approved and adopted and the directors be and are hereby authorised for and on behalf of the Company, to take all such steps as are necessary for the establishment and carrying into effect of the Option Scheme, including the allotment and issue to participants other than directors of the Company, on the conditions set out in the Option Scheme, of ordinary shares in the capital of the Company."

#### 2. Ordinary resolution number 2

"Resolved that, subject to the passing of ordinary resolution number 1, to be proposed at the meeting at which this resolution is to be proposed, 900,000 ordinary shares of R1.00 each in the authorised share capital of the Company be and are hereby placed under the control of the directors of the Company as a specific authority for allotment and issue, from time to time, in accordance with the terms and conditions of the Durban Roodepoort Deep (1996) Share Option Scheme, but subject always to the provisions of the Company's Articles of Association, the Companies Act, 1973 (Act 61 of 1973), as amended, and the rules and requirements of the Johannesburg Stock Exchange."

#### 3. Ordinary resolution number 3

"Resolved that the provisions of Article 88 (a) of the Company's Articles of Association be and are hereby amended to the extent that any director of the Company who participates in the Durban Roodepoort Deep (1996) Share Option Scheme ("the Option Scheme") is entitled to vote on any resolutions relating to the Option Scheme, provided that he shall not vote on or be counted in a quorum for resolutions concerning his participation in the Option Scheme."

#### Voting and proxies

On a show of hands, every member present in person or by proxy or represented in terms of Section 186 of the Companies Act, 1973, shall have one vote and on a poll every member present in person or by proxy or so represented shall have one vote for every ordinary or preferred ordinary share held by such member.

A member entitled to attend and vote at the general meeting may appoint one or more proxies to attend, speak and vote in lieu of such member. The proxy so appointed need not be a member of the Company. Fully completed proxy forms must be lodged with the transfer secretaries of the Company, Optimum Registrars (Proprietary) Limited, 4th Floor, Edgars House, 40 Commissioner Street, Johannesburg, 2001 (PO Box 62391, Marshalltown, 2107) in South Africa or Barclays Registrars, Bourne House, 34 Beckenham Road, Beckenham, Kent, BR3 4TU in the United Kingdom by not later than 1030 (South African time) on Wednesday, 17 January 1996.

#### By order of the board

Durban Roodepoort Deep, Limited  
For: D J Haddon  
Randgold & Exploration Company Limited  
Secretaries  
Johannesburg  
14 December 1995

Registered Office and Postal Address:  
Main Reef Road,  
Florida  
Roodepoort, 1724  
South Africa

## SELDON PARK HOTEL

Addington Road  
Sanderstead  
South Croydon  
Surrey  
0181 657 8811



MERRY CHRISTMAS  
to everyone.  
Come and see us  
in 1996!  
Michael Sharp  
Managing Director

Hotel • Golf Course • Conferences • Leisure Club

### A PRIME SITE FOR YOUR COMMERCIAL PROPERTY ADVERTISING

Advertise your property to approximately 1 million FT readers in 140 countries.

For details:  
Call Nadine Howarth  
on +44 (0)171 873 3211  
Courtney Anderson  
on +44 (0)171 873 3252  
or Fax: +44 (0)171 873 3098

## COMPANY NEWS: UK

# Panel says Granada's claim was within rules

By Scheherazade Daneshkhu  
Leisure Industries  
Correspondent

The Takeover Panel yesterday said that Granada, the TV and leisure group, had acted within its rules in stating that it could improve Forte's profits by £100m.

Forte, the hotels company fighting a \$3.2bn hostile bid, said it would continue to press Granada for full disclosure of the breakdown of the cost savings it plans in the first full year after acquisition.

Forte last week appealed to the panel, saying that the £100m figure, given without detailed breakdown, contravened panel rules. Bidders usually generalise about cost savings and it is unusual for

them to cite a figure. However, the Panel said yesterday: "Granada's statement was properly prepared and adequately and fairly presented."

But it would investigate whether new rules were needed in the case of quantified statements on the expected benefits of a merger.

There are strict rules for profits forecasts and the panel suggested the need for similarly formal requirements would be examined. These could include stating the bases on which statements about cost savings are made, or giving a breakdown of the figure.

Granada welcomed the panel's statement and reiterated its belief that it could improve Forte's ongoing profits by

£100m a year before reorganisation costs. Forte challenged Granada to come forward with a breakdown if it was fully confident of those savings. It said the matter was central to the value of the bid.

Meanwhile Forte said yesterday it had secured the renewal of the management contract of Le Meridien Boston against "strong competition" from international hotel groups.

The UK hotel industry has entered a period of strong growth in profits likely to continue for three to four years, according to a study from Pannell Kerr Forster, the hotel consultant. It said operating profits of London hotels were 6 per cent below their previous peak and regional hotels were 20 per cent lower.

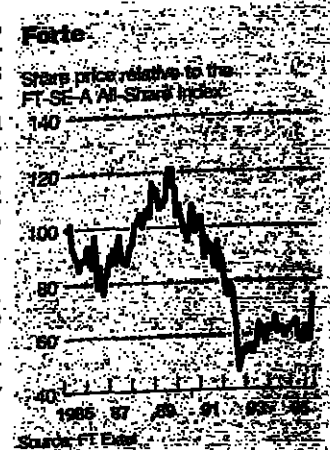
## LEX COMMENT

# Forte/Granada

As Christmas approaches, Forte's investors will be hoping that Santa Claus brings them something more substantial than the mud which has been the core ammunition in this takeover battle. Forte has at least come out fighting. Its demerger proposal offers increased value, even if it is primarily a mechanism for attracting a restaurant business. However, Forte needs to provide a detailed analysis of performance at its various hotel divisions. It is impossible to evaluate management when more than £1bn of the company's assets are tied up in poorly performing trophy hotels. Changes at board level would also help underwrite expectations of an improved operating performance. With its share price in line with the Granada offer, Forte still has much to prove.

Granada has also been struggling to find investor support. Its shares are still 9 per cent below their pre-bid level, making it harder to fund an increased offer. It must provide greater detail on how it would achieve its promised £100m of improved profitability. Applying Granada's accounting policies to Forte, combined with the likely introduction of guidelines increasing depreciation on hotels, could knock £30m off attributable profit. And the potential loss of Meridien management contracts would raise further questions over how to justify the deal in earnings terms.

At this stage, Forte should not have to do much to force Granada to pay more. The question is how much more Granada can justify paying.



## Medeva £4.4m US settlement

By James Harding

Medeva, the pharmaceuticals group, yesterday announced an out of court settlement with a number of US investors pursuing a class action against the company for violating US securities laws.

Although Medeva continued to deny any wrongdoing, it decided to establish a \$6.75m (£4.38m) settlement fund to save time and money.

The settlement is the latest example of what some US businessmen have called the "trivial litigation" that Congress is trying to curb.

## Independent Ins expands in France

By Ralph Atkins,  
Insurance Correspondent

Independent Insurance yesterday announced the expansion of its overseas activities with the acquisition of La Palatine, the French insurer, from Groupement Français D'Assurances. The shares ended up 27p at 361p.

Under the deal, Independent will receive net cash payments of FF140m. La Palatine has been loss-making but is expected to have net assets of FF65m at completion. In addition, Independent has received guarantees that if La Palatine proves not to have had adequate reserves, the shortfall will be made up by GFA, a subsidiary of Aachener und Münchener Beteiligungs.

That means Independent is, in effect, acquiring La Palatine's book of business and investment income. The group said the consideration it would receive would allow a restructuring of French activities "with negligible financial impact on Independent."

Independent is acquiring a business with turnover of about £35m. This would be added to the group's existing Paris-based business which generated £5m of premium income last year. Independent's total gross written premiums last year were £79.2m.

Mr Michael Bright, Independent chief executive, acknowledged the French insurance market was tough but the group's business there was "very profitable".



Michael Bright, centre, with Philip Condon, left, and Alan Clarke, acknowledge that French insurance market is tough

## Trio falls near £12m into red

Disastrous conditions for money brokers have taken their toll on another firm. It emerged yesterday, as Trio Holdings, the third largest publicly-quoted broker, declared an £11.5m (£16.2m) pre-tax loss for the year to September 30.

The result, which compares with a £2.4m profit, comes amid a fierce squeeze on money brokers, which arrange wholesale foreign exchange and cash transactions between the world's largest banks. There is no dividend, compared with a 0.1p total in 1994. Losses per share were 14.82p (0.71p profit).

## CONTRACTS & TENDERS

ACHILLE LAURO LINES s.r.l. in Receivership, with head office in Naples/Italy, Via C. Colombo no. 45, tel. +39/81/5520804, has called for bids for the sale by auction, on 22/1/1996 at 4pm in the presence of Notary Francesco Maddalena in Naples, Via R. Bracco no. 45, tel. +39/81/5522028, of the following real estate:

LOT A: Country house of approximately 1,050 covered sq.m., with attached garden, terrace, pool and farm land for a total of 10,267 cadastral sq.m., called "Villa Eliana", situated in Massa Lubrense (Naples), locality S. Giuseppe, Via Comunale S. Francesco; Auction price Lit. 4,200,000,000.

LOT B: farm land of 8,693 cadastral sq.m., situated in Massa Lubrense (Naples), locality S. Giuseppe, Via Comunale S. Francesco; Auction price Lit. 278,000,000.

LOT C: farm land of 45,029 cadastral sq.m. with farm house, stable and rural barns, situated in Massa Lubrense (Naples), locality S. Giuseppe, Via Comunale S. Francesco; Auction price Lit. 1,868,000,000.

LOT D: farm land of 10,376 cadastral sq.m. with shed of approximately 25 sq.m., situated in Sorrento (Naples) between Via Correale, Via Capasso and Corso Italia; Auction price Lit. 1,635,000,000.

The auction will be held, according to the regulations of the call for bids and articles 63 and 88 of Royal Decree 23 May 1924 no. 827, by means of secret offers which must arrive, by registered post, within 1.30 pm on 22/1/1996 at the office of the Notary Francesco Maddalena, together with a deposit of 20% of the base prices.

For each lot, the highest bidder will be the one who presented the most advantageous offer, also if only one offer is presented. After the adjudication, higher offers can be presented. In this case, a new call for bids will be announced according to article 86 of Royal Decree 827/24.

The transfers of the real estate to the highest bidders will be subject to:

- the non-exercise of the right of pre-emption, if any, due to the cultivators according to law 26 May 1965 no. 590 and subsequent laws, for lots B, C and D;
- the authorisation of the ministerial supervisory authority; and should take place within 45 days of the obtainment of the said authorisation.

Expenses for the sale and call for bids (including those for advertisements) are to be paid by the highest bidders, who must settle the amount due for the price and expenses -deducting the deposit - on the day fixed for the transaction.

Interested parties can request a complete copy of the call for bids, essential for participation, from the Notary or the seller and, at the offices of the latter, can examine the real estate identification and evaluation reports.

The Sole Commissioner Prof. Bruno Del Maro

# THINK AHEAD

## Bring your capital to a peak



Ras Beirut Commercial Center

The Municipality of Beirut, represented by the Council for Development and Reconstruction, plans to realize a complex composed of a Public Garden, a Car Park and a Commercial Center in Ras Beirut according to a tender to Build, Operate and Transfer (B.O.T.).

Candidates interested to execute this project are invited to submit their applications for prequalification. Candidates should form joint ventures with international corporations, including financiers, building contractors and international operating companies, that benefit from a significant experience in public gardens, car parks and commercial centers.

The project shall be built on plot No. 1220 in Ras Beirut, with an approximate area of 14,200 m<sup>2</sup>, owned by the Municipality of Beirut.

The main functions of this project cover the following areas:

- A Public Garden (green spaces...) 6,800 m<sup>2</sup> approx.
- Commercial Shops, Stalls 5,000 m<sup>2</sup> approx.
- Services (warehouses, kitchens...) 4,200 m<sup>2</sup> approx.
- Galleries (shops and arcades) 2,800 m<sup>2</sup> approx.
- Offices 6,200 m<sup>2</sup> approx.
- Car Park (1500 cars) 44,700 m<sup>2</sup> approx.

The project also includes the execution of foundations for an office tower with an area of 48,000 m<sup>2</sup>. It is noted that although the office tower plans have been completed, the building of the tower shall be executed at a later stage not within the framework of this project.

This project should be completed according to a strict time table within a period not exceeding 24 months. The group of companies or parties which shall be selected must build the complex, operate it for a number of years, that should be indicated in their tender offer and subsequently deliver it in an excellent operating condition to the Municipality of Beirut. The prequalification procedure shall conform to the prequalification document which can be obtained from the Council for Development and Reconstruction against the sum of U.S.\$/5000 in the form of a certified banker's cheque in the name of the Council for Development and Reconstruction.

The group of companies or parties interested in participating in this project are invited to collect the prequalification documents as of Tuesday 5/12/1995 and to submit them accompanied by all the required documents before 12:00 noon, Beirut local time, on Monday 5/2/1996 at the following address: Council for Development and Reconstruction - Tower Al-Serail - Beirut - Lebanon

REPUBLIC OF LEBANON  
MUNICIPALITY OF BEIRUT  
COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

Ras Beirut, a Capital's Peak

For more information: Council for Development and Reconstruction - Tower Al-Serail - Beirut - Lebanon

سكس المليون

## COMPANY NEWS: UK

# SB spends DM203m on German purchase

By Daniel Green

SmithKline Beecham, the UK's second biggest drugs company, yesterday demonstrated its commitment to consumer medicines by spending DM203m on Abtei Pharma Vertrieb, Germany's biggest maker of grocery store medicines.

The move comes in the same week that Glaxo Wellcome, SB's bigger rival, signalled its devotion to prescription drugs by selling its stake in over-the-counter drugs company Warner Wellcome for \$1.05bn (£660m) to Warner Lambert, the joint venture partner.

SB's acquisition bolsters its relatively weak position in OTC in Germany, Europe's largest medicines market.

The company has been known in Germany for its oral care products, such as toothpaste and mouthwash, and vitamin products sold by pharmacies.

Abtei, which had 1994 sales of DM110m, has similar vitamin products but they are sold through grocery stores.

SB claims the new acquisition will make it the biggest company in Germany's consumer healthcare.

SB also wants to increase its

sales of minerals products, in line with its profile in countries such as the UK where it is best known for brands such as Bechams Powders.

Abtei, based in Bielefeld, Westphalia, is privately owned. Like almost all of Germany's mid-sized drugs companies.

A sale of a German pharmaceuticals company to foreign interests by the controlling family is almost unheard of.

The nearest the sector has come in recent years has been the sale of minority stakes by B. Merck of Darmstadt and Schwarz Pharma, of Monheim, near Cologne.

## Index for Aim to launch in new year

By Christopher Price

The creation of an index to track the Alternative Investment Market was confirmed yesterday by FT-SE International, a new company owned by the London Stock Exchange and the Financial Times.

Launching on January 2, it will cover all companies trading on the junior market which have a sterling denominated quotation.

The index will be weighted by capitalisation, although unlike other FT-SE indices, it will not have a requirement that 25 per cent of a constituent's shares be available for public trading.

The index will be published daily in the Financial Times, initially in the statistical section headed London Equities.

It was also announced yesterday that the FT-SE SmallCap index, currently published at the end of each trading day, will be calculated and made available every minute throughout the day. The change takes effect from March 25.

## Young compensation ignores contents of second employment letter

### C&W offers less than expected

By Peggy Hollinger, William Lewis and Alan Cane

The board of Cable and Wireless has made a smaller than expected compensation offer to Lord Young of Graffham, the telecommunications group's former executive chairman, in spite of the emergence of a second letter detailing his employment conditions.

The directors are understood to have offered Lord Young, a former Conservative trade and industry secretary, less than a year's salary, plus his pension entitlements. It is also thought that the board has made a gesture towards recognising Lord Young's share options worth £1.7m (\$2.61m).

The offer, in effect, ignores the terms of the second letter, which set his leaving date for February 1997 and guaranteed his position and office support. Based on this later letter, Lord

Young is thought to be demanding more than £2.5m, and perhaps as much as £4m, in spite of the fact he was always stated to have no contract with the company. In the year to March 31 1995, he received £473,347 plus pension contributions of £179,450.

Lord Young's claims have been based, in part, on an earlier letter detailing his employment package, dating from his appointment in 1990. This is now known to have been signed by the former chairman of the remuneration committee, Sir Gordon Brunton. However, it stated that it had been mutually agreed that his contract did not include any term of service.

The second letter dates from the announcement at the company's interim results last month that Lord Young intended not to retire until February 1997.



Lord Young: thought to be seeking more than £2.5m

## Geest near to banana sale

By David Blackwell

Geest is on the verge of concluding the sale of its banana business for more than £140m to a joint venture between the Windward Islands and Fyffes, the Dublin-based fruit and vegetable company. Both sides were working frantically yesterday to complete the deal ahead of Christmas.

Over the past 10 days three prime ministers from the Windward Islands have been in London raising financial support for the bid from British banks. Mr Edison James of Dominica, Mr John Compton of St Lucia and Sir James

Mitchell of St Vincent are understood to be keen to return home with the good news this weekend.

Fyffes is Geest's main rival in the UK banana market, where both companies have about a third of total sales. While rumours were circulating over the past few months that Geest was talking to Noboa Corporation, an Ecuadorian banana exporter, Fyffes was talking to the Windward Islands Banana Development Company (WIBDC).

For more than 40 years Geest has shipped bananas from the Windward Islands, which rely on the crop for most of their export income. Its produce comes under the EC banana regime.

## Redland acquires stake in Ennemix

By Andrew Taylor, Construction Correspondent

Redland, the building materials group, yesterday signalled a further rationalisation of the UK quarry industry by buying a 29.9 per cent stake in Ennemix, the east Midlands and East Anglian aggregates company.

Ennemix, which came to the market a year ago, advised shareholders to take no action. Redland is thought to be poised to make a full offer for the company.

Redland paid 33p a share to Nash Sells, a venture capital company. Ennemix shares rose from 30p to 32p - valuing the company at £5.5m - compared with a flotation price of 80p.

The company, which is forecast to incur a \$600,000 pre-tax loss this year, owns nine quarries and 22 ready-mixed concrete plants. The McLeod family

is the next largest shareholder with a 28.3 per cent stake, and Schroders the largest institutional shareholder with 8 per cent.

Redland's stakebuilding is the latest in a series of acquisitions by large quarry companies. Wimpey last month agreed to swap its aggregates and construction businesses for Termar's UK housebuilding division. Wimpey had earlier purchased Alfred McAlpine's quarrying business.

Other recent deals have included the £330m sale by BTR, the industrial conglomerate, of its aggregates business to Minoro, the international natural resources group, and the purchase for £72.3m of Bardon Group's Civil and Marine subsidiary by ARC, part of Hanson.

RMG, the world largest concrete group, paid £40.6m in July for Haggreaves Quarries.

## Early start for Greenbury codes

By William Lewis

Bass, the leisure group, and Burton, the retail group, have become the first companies to tell their shareholders that they comply with stock exchange rules based on the Greenbury committee's report on executive pay.

Both companies' annual reports, sent to shareholders this week, include a remuneration committee report giving full details of senior executives' pay. They also state that key elements of Greenbury's code of best practice have - and are being - followed.

The two companies' moves means they are complying fully with Greenbury about two years before they need to.

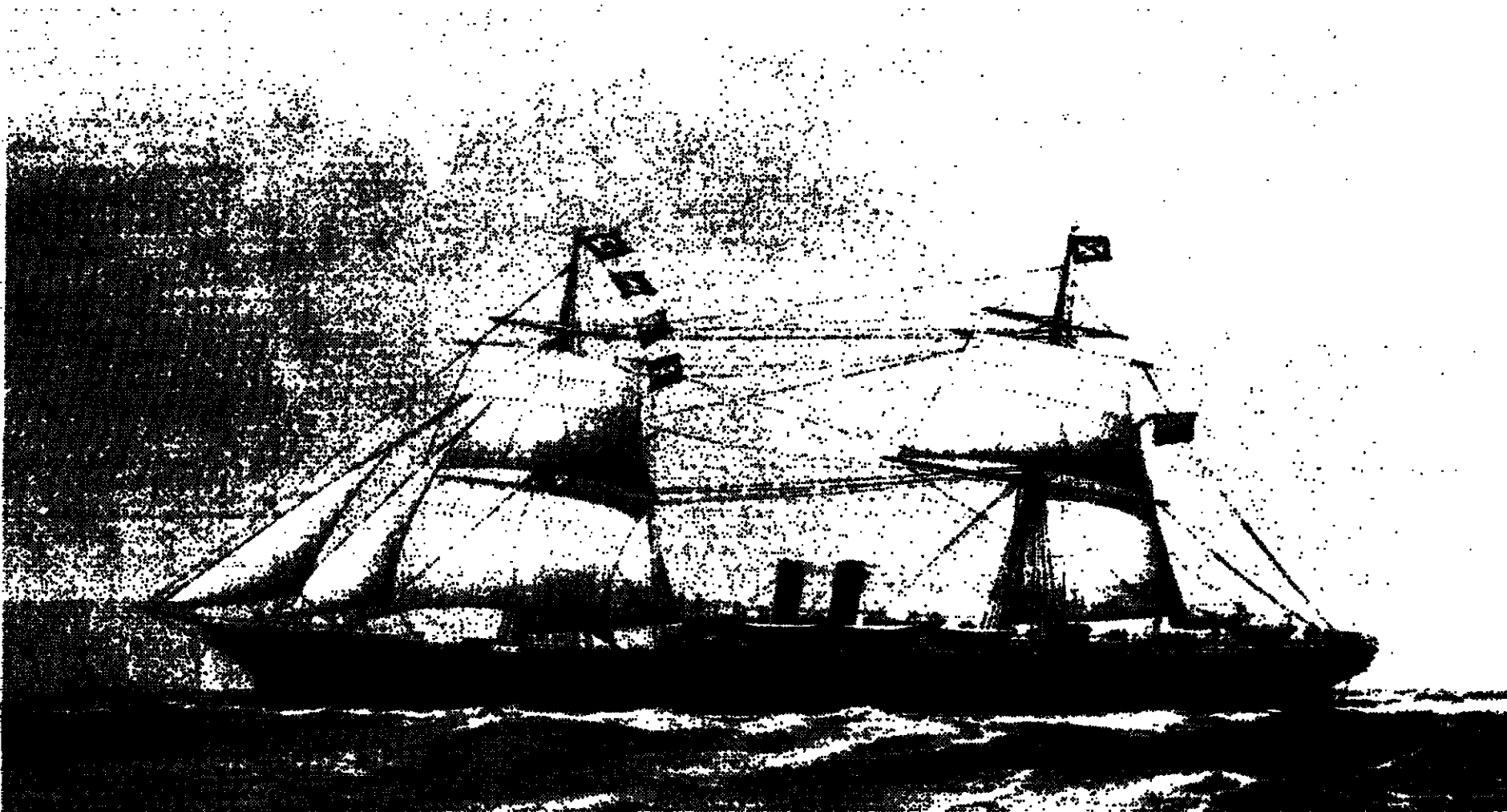
The move by Bass and Burton to implement Greenbury early will put pressure on other companies to state their compliance in their next annual reports.

Under stock exchange rules

all public companies with financial year ends on or after December 31 1995 have to provide shareholders with a remuneration committee report in their annual accounts. Companies with year ends beginning on or after December 31 1996 will have to print in their accounts a statement of compliance with the most important elements of Greenbury's code of practice.

Bass's annual report, for the year ended September 30, states it has "adopted the provisions of the Code early". Elements of the four page remuneration committee report, signed off by Mr Kenneth Dixon, chairman of the committee, have also been approved by Ernst & Young, auditors to Bass.

Sir Richard Greenbury, chairman of the committee and Marks & Spencer, said yesterday that he was "pleased" by the early disclosures and said that "a lot of other companies are also responding".



Nabian, National Maritime Museum London c.1870

## In the depths of recession, our Chairman went sailing.

When investment opportunities in nineteenth century Scotland looked thin on the ground, Robert Fleming took to the water. His destination was the emerging market of the day: America.

In fact, he made rather a habit of going there. Our archives show that during his career, he crossed the Atlantic well over a hundred times - often under sail. He kept a watchful eye on his pioneering investments in the railroads and mining companies of America - shareholdings that paid handsome dividends for investors in his trusts.

Today, our focus is still on opportunity, wherever it may appear in the world. We have eighteen investment trusts, which range from low risk generalist trusts to higher

risk trusts investing in specific markets, suitable for both the new and the more experienced investor. Furthermore, with over £3.5 billion under management, and over 250 fund managers and analysts worldwide, we bring huge resources to bear on your behalf.

And whilst our fund managers today don't need to sail the world for their investments, they still personally like to know the companies in which they invest, making numerous company visits around the world each year.

We think our founding Chairman would have approved. For more information about our track record and how to invest in any of our eighteen investment trusts, telephone our Brochureline on 0171-382 8989.



Robert Fleming

### FLEMINGS

The Investment Trust Experts

Please remember that the value of shares and the income from them can fall as well as rise and that investors may not get back the full amount invested. Past performance is not necessarily a guide to the future. Issued by Fleming Investment Trust Management Limited. Regulated by FIMRO.

Notice of Early Redemption to Holders of Series N of

**RSVP City Limited**

(Incorporated with limited liability in the Cayman Islands)

U.S. \$271,000,000

Guaranteed Extensible Variable Rate Notes due 2006/2007

NOTICE IS HEREBY GIVEN that in accordance with Section 5.03(a) of the Indenture, dated 26th September 1990, Series N of the U.S. \$271,000,000 Guaranteed Extensible Variable Rate Notes due 2006/2007 of RSVP City Limited (the "Bonds") will be redeemed in full by RSVP City Limited on the Interest Payment Date falling on 12th January, 1996 at their Principal Amount outstanding on that date together with interest accrued to the Date of Redemption.

Paying Agents:

Bankers Trust Company  
1 Appold Street  
Broadgate  
London EC2A 2HE

Bankers Trust Luxembourg S.A.  
P.O. Box 807  
14 Boulevard F.D. Roosevelt  
L-1450 Luxembourg

Interest shall cease to accrue on the Bonds from 12th January, 1996.

Bankers Trust Company, London  
22nd December, 1995

Principal Paying Agent

**RIGGS NATIONAL CORPORATION**  
US \$100,000,000

FLOATING RATE SUBORDINATED NOTES DUE 1996

In accordance with the provisions of the Notes, notice is hereby given that for the period 22 December 1995 to 22 March 1996 the Notes will carry a rate of interest of 0.75% per annum with a coupon amount of US\$145.71.

**CHEMICAL**  
An Agent



My client is an international lending Tele-communication and Information Company. The continuous growth of the company is the challenge of tomorrow. The given environment creates an outstanding opportunity for an ambitious

### Corporate Accountant

The requirement is for an ACA, ACCA or CIMA with two to four years post qualification experience in an international company - preferably in a similar function in Finance and Controlling or with an international Audit Company.

YOU are a 'generalist' with sound experience in the consolidation of companies financial statements, financial analysis and in preparing financial statements to accordance with IAS.

YOU are looking to join a dynamic young team and bring with you excellent communication skills and familiarity with commonly used PC software.

As YOUR place of work would be in the area of Bonn - Köln/Germany, competence in the German language is expected.

Please send your CV, quoting current salary to...

CC

BERATUNG FÜR FÜHRUNGSKRÄFTE

CZWALINA CONSULTING

INZLINGER STRASSE 65 CH-4125 RIEHEN  
TELEFON (00 41) 61/641 16 50 UND 641 1621 FAX 61/641 60  
19

As we reach the end of the year, it seems as good a time as any to reflect on some of the things that have happened to jobs in 1995. Thumbing back through the column over the past 12 months gives some indication of the way recruitment and employment may be moving towards the end of the decade.

It was a year that began like one of those thrillers with our heroine, the job, strapped to the railway line as we were told *ad nauseam* that there was no longer a job for life. This emerged because of a clear-out in traditional white collar jobs, such as the civil service and bank management, where a career path over a working life used to be reasonably assured.

While "there is no longer a job for life" must have become the most hackneyed phrase of the year, it did lead almost inevitably to the increased use of another buzzword popularised during the year: employability - the state of preparedness we must all strive for because "there is no longer a job for life".

The idea is that while you are doing your present job, you are equipping yourself for the next one.

Another idea that began to

take root in 1995 was that the way we work has reached a watershed, that technological change coupled with lean management techniques and business process re-engineering is producing a transformation in working practices as significant as those that occurred during the Industrial Revolution. We shall probably be at the other side of the millennium before we can assess whether the change has been so momentous.

Many western companies, however, are already transferring parts of their processing work to countries such as India where computer skills can be obtained at a fraction of the cost of those in the west. This is likely to be a continuing trend in 1996.

This was also the year that recruitment began to establish itself on the Internet. Web sites advertising jobs, CVs or other services began to spring up like mushrooms in the US and the UK as businesses began to explore the potential of the Internet for matching people to

jobs. The US is still leading the field in this area but it would seem to have much potential, particularly for graduate recruitment if employers could access CV databases at individual universities.

What happened to pay in 1995? For many people in work in the UK, it went up at around the rate of inflation. For many senior executives, it went up at around twice the rate of inflation. For some top executives, it went up even higher, but not for all directors, as the Reward Group recently reminded us. The average pay increase of directors in UK companies was between 3 and 3.5 per cent.

Nevertheless, the future over directors' pay left its mark on the year, leading to the inquiry and report by Sir Richard Greenbury which suggested several reforms aimed at making the value of reward packages clearer. The stickiest recommendation has been saying that companies should declare the full cost of a director's pension benefits. We are still awaiting a suitable

formula for their calculation.

One persistent left-over from the directors' pay controversy was the term "fat cat". It reflects a peculiarly British form of abuse that defies understanding in the US, where society has an almost institutionalised desire to get rich. That said, the phrase has stuck and will take some time to shake off.

Performance-related pay also came in for scrutiny during the year as a number of academics questioned its motivational worth. It is not going away, however, because it has proved a useful tool in giving more flexibility to the annual pay bill and it does not tend to be consolidated within basic pay.

Pay design is likely to become an increasingly important feature of employment packages in the next year, incorporating comparatively new innovations such as team-based pay which has begun to attract increasing interest in 1995.

Another development which we might greet with mixed feelings is the decision by David Winnick, the Labour MP for Walsall North, to pursue a private member's bill that will outlaw age discrimination in advertising. His decision must be welcomed because age discrimination is something that persists in job advertisements. The most depressing feature of this legislation is that it need not be necessary if those who ran advertisements - and those who placed them - could understand that age limits do not do much service to the recruiter, in that they may preclude the most able candidate from getting a job.

The year has seen the publication of one or two interesting books, the most prominent of which was probably *Jobsift* by William Bridges, which described the job as "an historical artifact" and forecast its end. Other books reflecting and commenting on changes in the way we work were *New Deals* by Peter Herliot and Carole Pemberton and *White*

*Collar Blues* by Charles Hackworth which looked at the erosion of employee loyalties and changes in the psychological contract.

All these books were trying to get to grips with changes in the relationship between employer and employee. Much of that change has not been initially for the better. Worries about increasing workplace stress levels have been a prevailing feature of the year and pose an important challenge for managements in 1996.

A more practical book that tried to provide managements with some answers to getting the best out of employees while keeping them on side, was *The Ascendant Organisation* by Peter Wickens.

Finally, the recruitment coup of the year must be that of Ramón Magarzo, former head of Coopers & Lybrand's Madrid-based consultancy division, who took his entire 90-strong team, one third of the firm's consultancy strength in Spain, to Ernst & Young which, to put it mildly, was quite delighted. Wasn't it Charles Handy who warned us about "assets walking out of the door"?

Richard Donkin

## RECRUITMENT

**JOBS: A year of changing fortunes in the employment sector**

### Careers on and off the rails

## Head of GMFX Risk Management

Commensurate with Position

City

Superb role for Risk Management Specialist working with a state-of-the-art Risk Team.

#### THE COMPANY

- Major UK based international investment banking group.
- Leading-edge risk team.
- Stable, profitable and prestigious.

#### THE POSITION

- Control, identify and resolve issues relating to market exposure for fixed income/derivative products at business and individual levels.
- Structure systems continuously to update global exposure and positions rapidly to identify changes in market exposure.

- Co-ordinate global risk and identify potential product development implications including proprietary trading.

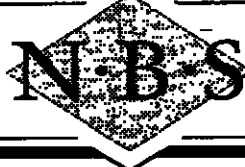
#### QUALIFICATIONS

- Currently involved in global market risk management with similar product focus and previous trading experience.
- Good first and preferably second degree in economics/math.
- Entrepreneurial and commercial approach to market exposure problem solving.

Please send full cv, stating salary, ref CP5022, to NBS, 10 Arthur Street, London EC4R 9AY



NBS SELECTION LTD  
NBS Resources plc company



City 0171 625 1520 • London 0171 493 6392  
Aberdeen • Birmingham • Bristol • City  
Edinburgh • Glasgow • Leeds • London  
Manchester • Slough • Madrid • Paris

### LAGOS NIGERIA

GENERAL MANAGER  
AND  
EXTERNAL CONSULTANT

- An expanding new generation commercial bank in Nigeria wants a General Manager (operations) to work in Lagos Nigeria on a full time basis. Successful candidates must have minimum 20-25 years cognate experience in branch banking/head office operations, maximum age of 45 years.
- Also required is a consultant who initially will be expected to work full time in the bank for 6-9 months, then after will be expected to come in once in every two months for 3-4 weeks. Applicants must have solid banking references and must have at least 25-30 years banking experience half of which must be at very senior level. Experience must cover banking operations and corporate banking activities. Applicants for 1 and 2 must be computer literate and must be a specialist in consumer banking, special product development/marketing with evidence track record.

Interested persons should forward their application together with C.V. including tel and fax contacts to:

KEY TESLER & CO.,  
86 West Green Road, London N15  
Tel: 0181 809 6756  
Fax: 0181 802 0660

## Numerate Graduates

Can you compete with the best... and win?

City based

NatWest Markets is the worldwide corporate and investment banking arm of the National Westminster Bank Group, one of the biggest and best capitalised banks in the world.

Our Global Currency Options team is regarded as the UK's leading player in global derivatives and a force to be reckoned with.

This is not the easiest career option you could ever choose. But then, if you wanted an easy option, you wouldn't consider working for us in the first place. Demanding yet satisfying, fun yet serious, our way of working certainly gets results.

Expansion of the team means that for top graduates looking for their first or second job, we now have opportunities in Options Sales.

The list of qualities we demand will mark you out as quite exceptional. As well as an excellent degree and outstanding numeracy, you will be fluent in at least two European languages and have the intellectual capabilities to work with the best of your peers.

You'll also need to be practical, analytical, methodical and very competitive. Given such qualities, you will take on significant responsibility in an exceptionally short time.

Just how quickly is determined by how you respond to the challenge. For more information, please write with a full CV, quoting ref: 308, to Alastair Lyon, Response Handling Service, Associates in Advertising, 5 St John's Lane, London EC1M 4BH.

Closing date: 16th January, 1996.

NATWEST MARKETS

## LEITER KONZERNLOGISTIK

Wien: weltweit führender Industrie-Konzern  
Erarbeitung einheitl. Strategien, Deutsch, Englisch

Das Unternehmen: Böhrler Uddeholm AG, weltweit führender Edelmetallkonzern, börsennotierte Konzernholding in Wien, ca. 20n US\$ Umsatz, hochprofitabel, eigene Tochtergesellschaften in 36 Ländern der Welt.

Die Aufgabe: Erarbeitung und Umsetzung einer einheitlichen Unternehmenslogistik, SAP-Einführung, Festlegung einer Logistik-Standardpolitik. Projektarbeit gemeinsam mit den Logistikabteilungen der Standorte; Senkung des net working capitals.

Die Anforderung: Spezialist im Logistikbereich (sowohl Produktions- als auch Vertriebslogistik) mit umfassender und internationaler

Erfahrung. Überdurchschnittliche soziale Intelligenz, hohe Reisebereitschaft, gute Deutsch- und Englischkenntnisse.

Das Angebot: Vielseitige Aufgabe mit hohem Successpotential mit starker internationaler Prägung, direkt dem Vorstand unterstellt, interessante Dotation, gute Entwicklungsmöglichkeit.

Bitte senden Sie Ihre schriftlichen Unterlagen an Herrn Reinhard Hager von Hager, Wilhelm et Partner, Management Consulting, A-1190 Wien, Helligensdörfer Straße 51, Fax: (+43/1) 36 88 777.

Referenznummer 5316  
Wir wenden uns mit dieser Ausschreibung an Damen und Herren.

BÖHLER UDDEHOLM

### SWITZERLAND

THE BANK FOR INTERNATIONAL SETTLEMENTS

An international institution located in Basle with approximately 460 members of staff from 24 countries has a new position in its Banking Department for a

### CREDIT RISK ANALYST

The successful candidate will have a postgraduate degree (ideally in finance or science) or equivalent. Experience in counterparty/sovereign analysis and/or credit risk management is desirable, as would be an understanding of the credit risks of derivative instruments. In addition to an excellent command of both written and spoken English, a working knowledge of additional languages would be an advantage.

The Bank offers attractive conditions of employment in an international atmosphere and excellent welfare benefits.

Candidates should send their application, together with a recent photograph and references, to the Personnel Section, Bank for International Settlements, 4002 Basle, Switzerland, quoting Reference No. 95273.

**FUNDRAISER £30K+**  
A leading grant maintained grammar school in South London is seeking to appoint a Fundraiser. The position is likely to appeal to somebody able to perform at a salary level above £30K.

Please reply with CV to:

Box ASK23, Financial Times,  
One Southwark Bridge, London SE1 9HL

#### APPOINTMENTS

appears in the UK edition every

Wednesday & Thursday

and in the International

edition every Friday

For further information please

call:

Andrew Skirzynski

044 0171 873 4054

Toby Fildes-Crofts on

044 0171 873 3456

## Program and Budget Officer

The World Bank, the leading multilateral lending agency in the field of global economics, has a challenging opportunity for a Program and Budget Officer at its Headquarters in Washington, DC, USA.

Responsibilities of the position include:

- Reviewing expenditures and work programs to provide input in budget preparation and monitoring
- Examining the impact of proposals for changes in policies covering staff benefits and administrative and personnel services
- Understanding studies of financial management issues related to efficiency and effectiveness, and cost and expenditure patterns
- Providing advice to internal client units on matters of budget policy and management

The successful candidate must have:

- Advanced degree in management or finance with specialization in management accounting or employee benefits
- Experience in employee benefits and a broad financial background
- Ability to work effectively in a team interacting with clients
- Strong analytical and evaluation skills and ability to conduct independent research and formulate recommendations

The position also requires excellent interpersonal and communication skills including proficiency in written and spoken English.

The World Bank offers an internationally competitive compensation package including appropriate benefits.

Candidates interested in applying should, within 14 days, send resume or CV, indicating position code,

to: FAX (202) 477-1852, or

E-mail: WRECRUITMENT@worldbank.org or

mail to: The World Bank, Staffing Center,

(Code: PBD/PS), Room 0-4137, 1818 H Street,

NW, Washington, DC 20433 USA.



## CAPITAL MARKETS - POLAND

Our client, a leading global bank with a network of offices throughout Central and Eastern Europe, is in the process of establishing a capital markets operation to complement its existing corporate banking representation in Warsaw. We are looking to recruit three exceptional people, ideally in their late 20s to mid 30s, who possess the drive and determination to develop the bank's capabilities in the equity and fixed income markets as follows:

### SENIOR ANALYST - EQUITY RESEARCH

The Position:

- To build a client-oriented equity research capability for the bank in Warsaw focused primarily on analysing the top Polish corporates together with various investment projects.
- To market this equity research product, incorporating definitive investment views, to a growing institutional client base.

The Candidate:

- Self-starter, degree/MBA qualified, possessing a minimum of two years' Polish equity analysis experience, focused primarily on fundamental analysis, gained from a banking, fund management or management consultancy background.
- Fluent in English and Polish - preferably of Polish nationality.
- Strong interpersonal skills and the ability to lead by example. Ref: 2174

### EURO AND DOMESTIC FIXED INCOME ORIGINATION SPECIALIST

The Position:

- To originate structured fixed income transactions for Poland incorporating convertibles, local currency swaps and options for private placement purposes.
- To originate plain vanilla bond and money market public issues.
- To enhance an integrated approach to clients in conjunction with the bank's corporate banking and structured finance departments.

The Candidate:

- Degree qualified, possessing a minimum of two years' experience of originating bond/money market public issues in the Polish market, gained from working in a leading investment bank.
- Fluent in English and Polish - preferably of Polish nationality.
- Innovative self-starter with the ability to work to tight deadlines. Ref: 2175

All three positions provide highly competitive salary and benefits packages, including significant bonus potential. For the right individuals, career prospects within this leading global bank, with a strong commitment to the emerging markets, are considerable.

### SALES TRADER - ZLOTY DENOMINATED SHORT-TERM PAPER

The Position:

- To sell T. Bills, money market and FX instruments (both plain vanilla and structured) to an international client base.
- To sell the above instruments, in addition, to a domestic client base.
- To work closely with the bank's treasury and corporate banking account managers.

The Candidate:

- Minimum of eighteen months' sales experience to a developed international client base.
- Fluent in English and Polish - preferably of Polish nationality.
- Some prior experience in the use of swaps and/or other derivative instruments. Ref: 2176

To apply, please telephone or write to Neil Salt, Salt Chapman Associates, International Search and Selection, 41 Dover Street, London W1X 3BS. Tel: 44-(0)171-493 1519. Fax: 44-(0)171-493 0635

Salt  
Chapman  
Associates

150 ن الال

## COMMODITIES AND AGRICULTURE

## Trading in fishing quotas proposed to ease disputes

By Deborah Hargreaves

The problems of managing the Common Fisheries Policy could be alleviated by making fishing quotas tradable and auctioning them to fishermen, according to a report published this week by the European Policy Forum, a cross-party think tank.

It came out as European Union fisheries ministers met in Brussels yesterday to battle over dramatic cuts in fishing quotas for next year. Many British fishermen have called for the UK to withdraw from the fisheries policy.

"The choice is not between carrying on with an unregulated CFP or unilaterally withdrawing from it," said Mr Graham Mather, MEP and president of the European Policy Forum.

He said fishing quotas could be traded in the same way as milk production quotas are bought and sold between farmers. "A system which relies on prices, rather than administrative decisions, could tackle the contradictions in the CFP which make it unworkable," Mr Mather said.

Mr Mather said that an auction system for quotas would favour efficient fishing industries and help governments to come to rational decisions.

The report suggests setting up a system of individual fishing rights with each vessel allocated a licence stating on which days of the year they are entitled to fish within the national zone. The total catches would be restricted indirectly by limiting the number of licences available. In its present form, the CFP

is unworkable, the report states, because its objectives are incompatible.

"It is virtually impossible to conserve fish stocks, which are already in a delicate state, and at the same time to maintain or even improve income and employment in the fishing industry," it says.

The report, which was written by Mr Federico Foders from the Kiel Institute of World Economics, recommends auctioning fishing rights to the highest bidder and making them tradable between firms. This could involve setting up a sort of stock exchange in the leading fishing ports for the holders of such rights to trade them.

"Reforming the Common Fisheries Policy, European Policy Forum, 20 Queen Anne's Gate, London SW1E 9AA.

## Prospecting for gold in an ancient land

Ann Elder reports on exploration for a metal first mined in Greece 3,000 years ago

Gold prospectors have been familiar figures in northern Greece for at least 3,000 years. And foreigners are now playing a major role in Greece's new gold rush.

The first outsiders known to have tried their luck were the Phoenicians, who struck gold in the hills on the east coast of Thessaly north of Karydi. Gold was also worked about 1,000 BC in central Macedonia around Kilkis on the Gallicus River, where the only gold exploitation in Greece so far this century flourished.

During seven years in the 1950s output totalled nearly 1.3 tonnes. The operator was Gold Mines of Northern Greece set up by Elias Kipoulas, founder of the Kipoulas-Kyriakopoulos mining group who today focuses mainly on bauxite, bentonite and perlite.

"Looking for gold in the wake of the ancients is unrewarding," says George Kydonas, manager of the group's new mining activities division. In the 1970s Silver & Baryte, one of Greece's major mining companies, fruitlessly combed the tunnels of the famous old Mount Pangaeon mines, only to find they had been thoroughly cleaned out, presumably from 350 BC after their takeover by Philip II of Macedonia.

Greeks, like other explorers, now use modern technology, rather than legend, when searching for gold. The original Kipoulas enterprise, Bauxites Parnassos Mining, is exploring a large area of northern Greece, from the Halkidiki in Macedonia to Thrace.

Early this year it set up a joint venture, 33 per cent



Rifle splitting at the Newcrest Hellas gold prospecting project near Sappes in Thrace

owned by the Greek company, with Eurogold, itself a joint venture between Normandy Possession of Australia and Inmet of Canada.

The partners are exploring carefully selected sites, several in the central Halkidiki, near the Cassandra Mines. There are other sites in an isolated area north of Xanthi and on the coast, one about 20kms west of Kavala, the another at Maronia near Alexandroupolis.

Silver & Baryte has also gone into partnership with an Australian company to search for gold on the Cycladic island of Milos where it mines bentonite and perlite. Remon Goldfields owns 75 per cent of the joint company, Milos, and is to spend between Dr287m and Dr1.6m on exploration work.

Queensland drillers began work on the rugged, sparsely inhabited western region of Milos last December, an area previously investigated by the Greek Institute of Geology and Mineral Exploration (IGME) which found gold-bearing silica

quartz.

Progress has been slow, says the project manager John Crossin. Conditions are harsh. Winds can be so strong that Arctic huts had to be placed round the drill last winter.

Obtaining a regular supply of water for the drill caused serious problems.

Four prospects on land leased by Greeks from the state are being explored, at Triades, Koumaria, Mavrovouni and 650 metres up on a south-west spur of Mt Profitas Elias. The ground is often an unpredictable mix of quartz and clay requiring frequent bit changes. Some days barely a metre of core has been recovered but the drillers average 10 metres a day.

There is a more advanced project in Thrace on the site of an ancient volcano at Sappes in the Rhodope country, 20kms north-west of Alexandroupolis. This might provide a second significant gold mine in northern Greece. It was first identified by IGME eight years ago.

IGME estimated, after investigation between 1987 and 1993, that the deposit contained 11 tonnes of gold. Recovery costs were put at between \$200 and \$280 an ounce, says Dr Eustace Chiotis, director of mineral resources evaluation at the institute.

"Someone will end up with a gold mine here," insists David Jones, managing director of Athens based Newcrest Hellas. "It's really a matter of scale. A series of high grade pods would be of interest to a smaller enterprise. We want a large deposit. The sniffs we are getting, we hope, come from a large carcass."

Newcrest of Australia is in partnership with the leaseholder, Greenwich Resources of the UK, which still has 49 per cent of the project.

Crushing and grinding the rock at Sappes produces a 100 gram sample of the size of a packet of seeds from a 30kg rock core sample.

Mr Jones says the Dr1bn three-year budget was spent in

two years and new funding has been allocated. Exploration will continue for a maximum of five years. "We still have a lot of work to do before we decide whether we should develop a mine here," says Mr Jones.

Greenwich, meanwhile, is prospecting on its own account, in a 5.7sq km area at Peika about 30kms east of Sappes.

Greece's biggest gold producer is almost certain to be Cassandra Mines. TVX Gold of Canada won a Greek government tender offer in March but more negotiations are needed to solve some serious outstanding issues before it can finally complete the takeover.

Discovered in 1968, the complex Cassandra sulphide deposit has an estimated 60 tonnes of gold at a grade averaging 6 grams a tonne in 12m tonnes of arsenical pyrite ore. Cassandra has been producing mainly lead and zinc since 1975 but the operator, Hellenic Chemical, has stockpiled about 350 tonnes of fine grey gold-bearing pyrite with a gold concentration of 25 grams a tonne, says IGME.

To release the gold, TVX proposes to employ pressure oxidation as a pre-treatment before conventional cyanide leaching. Professor Antonios Kontopoulos of the National Technical University of Athens, who headed a team which in 1988 recommended pressure oxidation should be used at Cassandra, says the process is environmentally acceptable and the recovery rate may be as high as 97 per cent - "but it is neither simple nor inexpensive."

## Outokumpu plans mid-1997 start-up for nickel project

By Kenneth Gooding, Mining Correspondent

Outokumpu, the Finnish mining and metals group, has put its new nickel project in Australia on the "fast track" to start up as early as mid-1997.

It expects the small, high-grade Silver Swan deposit, 45 kms north east of Kalgoorlie in Western Australia, to produce about 10,000 tonnes of nickel a year for about six years. The capital cost is expected to be between A\$45m and A\$55m.

In the meantime, Outokumpu and its 50-50 partner, the privately-owned Mining Project Investors, are "having an aggressive look at the whole region," according to Mr Ken Fletcher, managing director of MPI.

The partners already have located two other nickel deposits and some analysts suggest the area could emerge as a substantial, world class nickel

region. Western Australia is already home to several large nickel projects, including WMC's Mt Keith, Kamabeka and Leinster operations and Outokumpu's Forrestania mine.

The key to MPI's strategy has been its decision to go back to known nickel deposits but to drill much deeper than previous explorers. Drilling has gone down to 800 metres at Silver Swan and the adjacent Black Swan deposit.

Black Swan was discovered in 1970 by Anglo American Corporation of South Africa which decided it was too small to develop and gave it up. MPI says Black Swan contains 28,000 to 30,000 tonnes of nickel and the company is also drilling a third "target" nearby.

"We already have three separate resources and we are continuing to explore. But how the region evolves [as a nickel pro-

ducer] is still anyone's guess. But we will put Silver Swan on the fast track because it will make a small, high grade mine with a minimum life of five to six years," says Mr Fletcher.

He suggests Outokumpu will have no difficulty meeting its share of the capital costs and MPI has A\$50m cash in the bank.

Outokumpu owns 31 per cent of MPI and Pittson, the US coal mining group, 31 per cent. MPI has 50-50 gold joint ventures with Pittson. The MPI management own most of the rest of their company. Mr Fletcher and MPI's geologist, Mr David Burt, were previously with Australian Consolidated Minerals.

It is the fourth time the MPI team have been associated with a substantial nickel discovery. They found Greenvale in Queensland, and two others in Western Australia, Nepean and Mt Keith.

## Lamitref merger with MKM scheduled for the new year

The sale of eastern German copper producer MKM Mansfelder Kupfer und Messing GmbH (MKM) to the Belgian Lamitref group created a powerful new European company, according to an investment

banker involved in the transaction, Reuters reports from Hamburg.

Two companies of equally large size are merging and sizeable investments will be made, said Mr Arne Osborg of

the Berlin office of West Merchant Bank of London.

It was approved by the BMG supervisory board on January 20 and should take effect from January 1, 1996. West Merchant carried out

the investor search on behalf of Beteiligungs-Management-Gesellschaft Berlin mbH (BMG), the successor organisation of the Treuhand privatisation agency.

Together the two companies

produce 400,000 tonnes a year of finished copper products on turnover of DM1.5bn (\$675m).

Lamitref is committed to investing at least DM300m to modernise the MKM plant in Hettstedt in Saxony-Anhalt.

## COMMODITIES PRICES

## BASE METALS

## LONDON METAL EXCHANGE

(Prices from Amsterdam Metal Trading)

## ALUMINIUM, 99.99% (50 tonnes)

	Settle	High	Low	Open
Dec	1689.5-5.5	1694.5	1684.5	1689.5
Nov	1687.5	1692.5	1677.5	1687.5
High/Low	1670/1695	1685/1692		
AM Official	1689-95.5	1695-95.5		
Karb close	1690.222	1695.4		
Open int.	58,794			
Total daily turnover	58,794			

## ALUMINIUM ALLOY (50 tonnes)

	Settle	High	Low	Open
Dec	1430-40	1470-75	1420-25	1430-40
Nov	1425-25	1465-75	1415-25	1425-25
High/Low	1405-45	1450-75		
AM Official	1435-4	1470-75		
Karb close	1436.4	1470-75		
Open int.	4,812			
Total daily turnover	1,308			

## LEAD (50 tonnes)

	Settle	High	Low	Open
Dec	711-12	708-8.5	709-8.5	711-12
Nov	709-8.5	707-8.5	707-8.5	709-8.5
High/Low	715-14	710-10.5		
AM Official	715-15	709-11		
Karb close	715-15	709-11		
Open int.	33,755			
Total daily turnover	7,002			

## NICKEL (50 tonnes)

	Settle	High	Low	Open
Dec	8080-90	8200-10	8080-90	8080-90
Nov	8085-85	8180-80	8085-85	8085-85
High/Low	8125	8200/8180		
AM Official	8125-30	8200-70		
Karb close	8126.4	8180-80		
Open int.	38,746			
Total daily turnover	7,233			

## ZINC (50 tonnes)

	Settle	High	Low	Open
Dec	6235-45	6250-70	6235-45	6235-45
Nov	6235-45	6250-70	6235-45	6235-45
High/Low	6240/6230	6270/6220		
AM Official	6230-40	6250-70		
Karb close	6230-40	6250-70		
Open int.	14,185			
Total daily turnover	4,191			

## COPPER, grade A (50 tonnes)

	Settle	High	Low	Open
Dec	1004-5.5	1028-29	1004-5.5	1004-5.5
Nov	1005-5.5	1031-32	1005-5.5	1005-5.5
High/Low	1009/1005	1040/1034		
AM Official	1005-6	1028-30		
Karb close	1015.24	1034-5		
Open int.	33,331			
Total daily turnover	33,331			

## COPPER, grade B (50 tonnes)

	Settle	High	Low	Open
Dec	2890-85	2711-12	2890-85	2890-85
Nov	2895-85	2708-9	2895-85	2895-85
High/Low	2893/2890	2725/2708		
AM Official	2890-80	2714-15		
Karb close	2890-80	2714-15		
Open int.	189,508			
Total daily turnover	118,044			

## LME AM Official 25 rate 1.5380

	Settle	High	Low	Open
Dec	1.5380	1.5385	1.5375	1.5380
Nov	1.5375	1.5380	1.5370	1.5375
High/Low	1.5370/1.5380	1.5385/1.5375		
AM Official	1.5380	1.5385		
Karb close	1.5380	1.5385		
Open int.	189,508			
Total daily turnover	118,044			

## LME AM Official 25 rate 1.5380

	Settle	High	Low	Open
Dec	1.5380	1.5385	1.5375	1.5380
Nov	1.5375	1.5380	1.5370	1.5375
High/Low	1.5370/1.5380	1.5385/1.5375		
AM Official	1.5380	1.5385		
Karb close	1.5380	1.5385		
Open int.	189,508			
Total daily turnover	118,044			

## LME AM Official 25 rate 1.5380

	Settle	High	Low	Open
Dec	1.5380	1.5385	1.5375	1.5380
Nov	1.5375	1.5380	1.5370	1.5375
High/Low	1.5370/1.5380	1.5385/1.5375		
AM Official	1.5380	1.5385		
Karb close	1.5380	1.5385		
Open int.	189,508			
Total daily turnover	118,044			

## LME AM Official 25 rate 1.5380

	Settle	High	Low	Open
Dec	1.5380	1.5385	1.5375	1.5380
Nov	1.5375	1.5380	1.5370	1.5375
High/Low	1.5370/1.5380	1.5385/1.5375		
AM Official	1.5380	1.5385		
Karb close	1.5380	1.5385		
Open int.	189,508			
Total daily turnover	118,044			

## LME AM Official 25 rate 1.5380

	Settle	High	Low	Open
Dec	1.5380	1.5385	1.5375	1.5380
Nov	1.5375	1.5380	1.5370	1.5375
High/Low	1.5370/1.5380	1.5385/1.5375		
AM Official	1.5380	1.5385		
Karb close	1.5380	1.5385		
Open int.	189,508			
Total daily turnover	118,044			

## LME AM Official 25 rate 1.5380

	Settle	High	Low	Open
Dec	1.5380	1.5385	1.5375	1.5380
Nov	1.5375	1.5380	1.5370	1.5375
High/Low	1.5370/1.5380	1.5385/1.5375		
AM Official	1.5380	1.5385		
Karb close	1.5380	1.5385		
Open int.	189,508			
Total daily turnover	118,044			

## LME AM Official 25 rate 1.5380

	Settle	High	Low	Open
Dec	1.5380	1.5385	1.5375	1.5380
Nov	1.5375	1.5380	1.5370	1.5375
High/Low	1.5370/1.5380	1.5385/1.5375		
AM Official	1.5380	1.5385		
Karb close	1.5380	1.5385		
Open int.	189,508			
Total daily turnover	118,044			

## LME AM Official 25 rate 1.5380

	Settle	High	Low	Open
Dec	1.5380	1.5385	1.5375	1.5380
Nov	1.5375	1.5380	1.5370	1.5375
High/Low	1.5370/1.5380	1.5385/1.5375		
AM Official	1.5380	1.5		











**INVESTMENT TRUSTS - Cont.**[illegible]

## INVESTMENT TRUSTS

Algeria	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Angola	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Argentina	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Armenia	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Australia	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Austria	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Azerbaijan	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Bahrain	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Bangladesh	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Barbados	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Belarus	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Belgium	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Belize	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Benin	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Bhutan	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Bolivia	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Bosnia and Herzegovina	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Botswana	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Brazil	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Bulgaria	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Burkina Faso	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Burundi	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Cambodia	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Cameroon	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Canada	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Cape Verde	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Chad	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996</																																		

Abstract New ☒ 2115  
Warrants 136[illegible]

Hobson 大馬仔 ☐ 30

[illegible]

Biocare	54	22
Biobase Int'l.	54	49
Chem. Ind.		30

[illegible]

## HOUSEHOLD GOODS

Zoro Div M	\$21.2	122	93	92.1	95
Zoro Div MTS	\$7.0	111	89	8.3	102.1
Zoro Div MTS	\$7.0	111	89	8.3	102.1
Zoro Capital	\$5	130.1	102	102	102
Zoro Capital	\$5	130.1	102	102	102
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12.4	242.1
Zoro Div M	\$14.0	102	91	12	

هكذا من الراحل











● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

**MANAGED FUNDS NOTES**

PROCES are in process among authorities, including and lower management, to determine the best way to handle the situation. The company is not planning to close any offices.

Notes to please for the following information: please contact your local office for more information. The regulatory authorities are the following:

- 1. Federal Reserve Board
- 2. Securities and Exchange Commission
- 3. Department of Justice
- 4. Federal Reserve Board
- 5. Federal Reserve Board
- 6. Federal Reserve Board
- 7. Federal Reserve Board
- 8. Federal Reserve Board
- 9. Federal Reserve Board
- 10. Federal Reserve Board
- 11. Federal Reserve Board
- 12. Federal Reserve Board
- 13. Federal Reserve Board
- 14. Federal Reserve Board
- 15. Federal Reserve Board
- 16. Federal Reserve Board
- 17. Federal Reserve Board
- 18. Federal Reserve Board
- 19. Federal Reserve Board
- 20. Federal Reserve Board
- 21. Federal Reserve Board
- 22. Federal Reserve Board
- 23. Federal Reserve Board
- 24. Federal Reserve Board
- 25. Federal Reserve Board
- 26. Federal Reserve Board
- 27. Federal Reserve Board
- 28. Federal Reserve Board
- 29. Federal Reserve Board
- 30. Federal Reserve Board
- 31. Federal Reserve Board
- 32. Federal Reserve Board
- 33. Federal Reserve Board
- 34. Federal Reserve Board
- 35. Federal Reserve Board
- 36. Federal Reserve Board
- 37. Federal Reserve Board
- 38. Federal Reserve Board
- 39. Federal Reserve Board
- 40. Federal Reserve Board
- 41. Federal Reserve Board
- 42. Federal Reserve Board
- 43. Federal Reserve Board
- 44. Federal Reserve Board
- 45. Federal Reserve Board
- 46. Federal Reserve Board
- 47. Federal Reserve Board
- 48. Federal Reserve Board
- 49. Federal Reserve Board
- 50. Federal Reserve Board
- 51. Federal Reserve Board
- 52. Federal Reserve Board
- 53. Federal Reserve Board
- 54. Federal Reserve Board
- 55. Federal Reserve Board
- 56. Federal Reserve Board
- 57. Federal Reserve Board
- 58. Federal Reserve Board
- 59. Federal Reserve Board
- 60. Federal Reserve Board
- 61. Federal Reserve Board
- 62. Federal Reserve Board
- 63. Federal Reserve Board
- 64. Federal Reserve Board
- 65. Federal Reserve Board
- 66. Federal Reserve Board
- 67. Federal Reserve Board
- 68. Federal Reserve Board
- 69. Federal Reserve Board
- 70. Federal Reserve Board
- 71. Federal Reserve Board
- 72. Federal Reserve Board
- 73. Federal Reserve Board
- 74. Federal Reserve Board
- 75. Federal Reserve Board
- 76. Federal Reserve Board
- 77. Federal Reserve Board
- 78. Federal Reserve Board
- 79. Federal Reserve Board
- 80. Federal Reserve Board
- 81. Federal Reserve Board
- 82. Federal Reserve Board
- 83. Federal Reserve Board
- 84. Federal Reserve Board
- 85. Federal Reserve Board
- 86. Federal Reserve Board
- 87. Federal Reserve Board
- 88. Federal Reserve Board
- 89. Federal Reserve Board
- 90. Federal Reserve Board
- 91. Federal Reserve Board
- 92. Federal Reserve Board
- 93. Federal Reserve Board
- 94. Federal Reserve Board
- 95. Federal Reserve Board
- 96. Federal Reserve Board
- 97. Federal Reserve Board
- 98. Federal Reserve Board
- 99. Federal Reserve Board
- 100. Federal Reserve Board



## LONDON STOCK EXCHANGE

## MARKET REPORT

## Shares move ahead as Wall Street rallies again

By Philip Coggan,  
Markets Editor

Traders managed to inject a certain amount of seasonal cheer into the penultimate pre-Christmas trading session, with help from a rebound on Wall Street and a smattering of bid rumours.

The FT-SE 100 index ended the day 19.6 points higher at 3,633.3, while its junior index, the FT-SE Mid 250, performed not quite as well, rising 7.2 to 3,957.3.

The mood switched around sharply from the start of trading when the effect of the 50-point overnight fall in the Dow Jones Industrial Average weighed heavily on

traders. Within minutes of the opening, the Footsie hit its low for the day, falling 16.4 points to 3,597.3.

For the rest of the morning, however, shares were on the rebound. Some modest bid speculation helped; an offer for water group Mid Kent Holdings from General Utilities & Saur led to hopes that Southern Water might be on a predator's wish list. There was also speculation that either Bass or Whitbread might launch a takeover offer for Vaux, the brewer; the latter's stock was the best performer in the Mid 250 index.

The biggest riser in the FT-SE 100 index was Rolls-Royce, where a new chief executive was appointed.

When Wall Street opened in the afternoon, London was given a further fillip by an early jump in the Dow. By the time London closed, the Dow was more than 20 points ahead.

Shares received little support from gilts, however, where the 10-year benchmark issue fell by around a third of a point. The yield on the 10-year issue has edged up to 7.53 per cent, from 7.37 per cent two weeks ago.

The fall in gilt yields, which were close to 9 per cent in early March, has been one of the main supports for share prices. A turnaround in the bond markets, perhaps led by a failure to resolve satisfactorily the US

budget dispute, remains one of the biggest threats to shares as the market heads into 1996.

Mr Tim Brown, UK market strategist at UBS, said: "In 1996, any significant move in bond yields will have a substantial effect on shares." But he is expecting only a marginal rise in gilt yields next year.

Mr Michael Hughes, global strategist at Barclays de Zoete Wedd, has an end-1996 target of 3,750 for the Footsie, saying the main constraint on the UK market would be the prospect of a general election.

Volume slowed after a very busy session on Wednesday, when customer business was worth £2.66bn, the highest level for some time. At

the 6pm cutoff yesterday, 688.4m shares had been traded, of which 57 per cent were non-FT-SE 100 index stocks.

With only a half-day of trading today and London open for just three days next week, the markets are expected to be fairly quiet until the end of the year. However, the Christmas-new year period has in the past been a time of share price rallies.

If, by the close of the year, the Footsie can climb back to 3,695, just above the all-time intra-day high reached at the start of the month, it will have achieved the biggest calendar year points jump since it started in 1984.

## FT-SE A All-Share Index



Source: FT Index

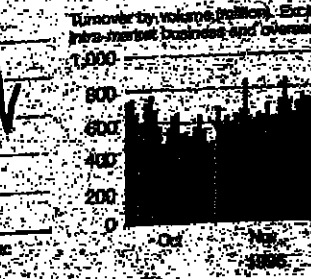
## Indices and ratios

FT-SE 100	3633.3	+19.6
FT-SE Mid 250	3957.3	+7.2
FT-SE A 350	3775.1	+7.1
FT-SE A All-Share	3633.3	+19.6
FT-SE A All-Share yield	3.84	

## Best performing sectors

1 Gas Distribution	+2.9
2 Tobacco	+2.2
3 Electronics & Elec	+1.5
4 Water	+1.4
5 Engineering	+1.4

## Equity shares traded



Source: FT Index

## Worst performing sectors

1 Banks, Merchant	-0.9
2 Health Care	-0.8
3 Breweries	-0.8
4 Paper, Pkg & Print	-0.5
5 Financial	-0.4

## Waters trickle higher

Water shares rose on a flood tide of takeovers, bid speculation and recommendations.

The takeover involved Mid Kent Holdings, a small southern group in which General Utilities and Saur Water Services, the subsidiaries of two French groups, already held 39 per cent between them.

General and Saur announced that they intended to acquire the rest of the equity, and although Mid Kent advised shareholders to resist the bid, its share price leapt 77 to 430p.

The news also had an impact on Southern Water. General is a subsidiary of Generale des Eaux, and ABN Amro Hoare Govett was apparently telling potential investors that des Eaux would be likely to make an offer for Southern.

Also, Merrill Lynch issued a buy recommendation on Southern, arguing that it had the "lowest net debt/equity ratio and was among the highest medium-term dividend growth potential" in the sector.

The combined broker enthusiasm saw the shares climb 27 to 685p.

North West Water was another strong feature on the back of a broker recommendation. NatWest Securities issued a thick note on the virtues of the company and the stock added 16 to 602p.

The penultimate session before Christmas brought a clutch of vague bid stories,

prompting sharp moves in several stocks.

## Brew bid buzz

In the drinks sector, the takeover talk settled on Sunderland-based brewer Vaux Group. The shares jumped 18 to 275p, topping the list of the day's best performers in the FT-SE Mid 250 index, after talk went round the market that the group would soon be on the receiving end of a bid.

Several names were mentioned as likely predators, a list that included Wolverhampton & Dudley and Whitbread. However, the strongest talk focused on Bass as the most probable bidder. Shares in the group tumbled 15 to 685p on the speculation, making it the day's worst Footsie performer.

Wolverhampton shares were steady at 582p, while Whitbread eased 5 to 609p.

Mr Fraser Ramzan at Lehman Brothers is a fan of Bass. He said: "There are attractions in Bass increasing its market share in the light of Scottish & Newcastle's acquisition of Courage last summer. This is not an acquisition that would stretch Bass."

## BT bought

The latest salvo from Ofel, the official telecoms regulator, was not taken well by BT but the telephone company's shares still rose 5 to 351p.

BT and Ofel have been embroiled in an acrimonious tussle over pricing and deregulation for some time. At first, the market thought yesterday's Ofel document was conciliatory.

However, BT responded

promptly, saying it was not prepared to take over the "virtually unchallengeable power to decide that anything done in the British telecommunications industry was anti-competitive."

On the other hand, the shares were offering a yield of 6.8 per cent and a number of investors have apparently decided that if the price falls to a level which provides a 7 per cent yield, they should be bought.

British Gas added a further 7p to this week's rise. The closing price of 267 1/2p marked a gain of 12 pence over the past three trading days. Previous stark underperformance against the market, the appointment of an independent negotiator and takeover speculation have fuelled the recent improvement.

Oil majors were lifted by financial and gas prices in the

US, where the recent oil snap focused investors' attention on fuel demand. British Petroleum added 4 to 533p and Shell Transport 7 to 852p.

Enterprise, the oil exploration and production stock, moved up 5 to 394p on the back of the latest oil find in the North Sea. Enterprise has a 20 per cent interest in the field.

Aero engines group Rolls-Royce topped the league table of the best performers in the Footsie as the market cheered the appointment of a new chief executive. The shares advanced 8p to 185p in active trade of 8.8m.

Mr John Rose is to replace Sir Terence Harrison next April and one analyst said: "It looks like the old guard is being cleared out at long last and there are hopes that the new man will help unlock shareholder value."

British Aerospace continued to benefit from a broker's

recommendation earlier this week and the shares climbed a further 21 to 779p.

Talk of buoyant Christmas sales boosted several retailing stocks. They included Boots, which gained 9 to 85p, with SBC Warrington, the group's broker, said to have boosted sentiment by upgrading its recommendation on the stock from "reduce" to "hold".

Smith & Nephew slipped 4 to 190p as Kleinwort Benson was said to have downgraded its forecasts for the company. Also a line of 9.2m shares was dealt at 191p.

Aggregates group Enamix shot ahead 12 to 83p as Redland bought a near 30 per cent stake from one shareholder. It is expected that Redland will launch a bid shortly and Enamix is considering its options. Redland rose 3 to 385p.

Healthcare group Enviromed jumped 4 to 26p after EN Limited Partnership raised its stake to 16.1 per cent.

McDonnell Info Systems plunged 24p to 36p in response to a profits warning.

The group said that as a consequence of closures, redundancies and other write-offs, the 1995 accounts were expected to include exceptional provisions of about £20m.

Independent Insurance put on 27 to 36p as the market gave its approval to the group's takeover of Palatine Assurance, of France, a loss-making group which focuses primarily on underwriting motor, property and personal accident insurance products.

Medeva improved 2 to 267p after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

The flotation of Reunion

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against it and its US subsidiary. The company will take a charge in its 1995 financial year of \$2.4m.

after it said it had agreed to settle US securities litigation filed against







## NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94										12/15/94					
----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--	--	--	--	--	----------	--	--	--	--	--



[illegible]

**4 pm close December 21**

[illegible]

# Financial Times. World Business Newspaper



## AMERICA

## US budget debate keeps stocks volatile

## Wall Street

US share prices were volatile in early trading as investors kept their eyes on Washington developments in the debate over how to balance the federal budget, writes Lisa Bransden in New York.

The Nasdaq composite, consisting mostly of smaller companies, was strong through the morning as technology shares rebounded from recent losses and biotechnology shares continued to climb. In the early afternoon, the Nasdaq was 9.78 stronger at 1,035.05 and the Pacific Stock Exchange technology index was ahead 1.7 per cent.

At 1 pm the Dow Jones Industrial Average was 13.72 higher at 5,073.04. The Standard & Poor's 500 rose 2.34 to 608.18 and the American Stock Exchange composite was up 1.53 at 536.06. Volume on the NYSE came to 245m shares.

The Dow was more than 40 points higher in the late morning, but by early afternoon shares had given up most of their gains amid jittery about the budget debate in Washington.

On Wednesday, shares were higher for most of the day, only to end with a 50-point loss as negotiations between the White House and Congress broke down.

Biotech companies staged a

second day of gains amid positive news from Centocor, which said late on Wednesday that it was halting the trial of ReoPro, an anti-clotting drug, because results were so positive that it was unethical to continue giving placebos to some participants.

It was the second time in two weeks that Centocor had stopped a study because of positive results. Last week the shares jumped nearly \$10 on that news and yesterday the shares added another \$4 at \$29 1/2, the stock had more than doubled in five sessions. Elsewhere in the biotech sector, Chiron gained \$3 at \$106, Amgen \$1 at \$53 1/2, and Genzyme \$1 1/2 at \$58 1/2.

Kmart rose \$1 or nearly 26 per cent to \$7 1/2. After the market closed on Wednesday, the troubled retailer announced that it had renegotiated some of its debt and cut its quarterly dividend payment.

Qatar Oils slipped 8¢ to \$34 1/2 after the company warned that it would lose 35 to 45 cents a share, mostly due to the acquisition of Snapple in 1994. Analysts had forecast profits of 5 cents a share.

Canada

Toronto rewarded corporate stocks as the TSE 300 composite index rose 16.59 to stand at 4,896.96 at noon.

The most heavily traded stock was BCE (Bell Canada), up 52¢ to C\$47 on news that the Canadian government would allow telephone companies to increase local rates without cutting long distance tariffs. BC Telecom and Telus firmed C\$2 to C\$35 and C\$4 to C\$16 on the same theme.

Sherritt advanced C\$2 to C\$17 1/2, it said on Wednesday that the issue of Sherritt International's spin-off for international assets was overruled. And Goldstrike Exploration leapt 37 cents or 35 per cent to C\$1.42 on announcing that it had bought into an Indonesian prospect.

Biotech companies staged a

second day of gains amid positive news from Centocor, which said late on Wednesday that it was halting the trial of ReoPro, an anti-clotting drug, because results were so positive that it was unethical to continue giving placebos to some participants.

It was the second time in two weeks that Centocor had stopped a study because of positive results. Last week the shares jumped nearly \$10 on that news and yesterday the shares added another \$4 at \$29 1/2, the stock had more than doubled in five sessions. Elsewhere in the biotech sector, Chiron gained \$3 at \$106, Amgen \$1 at \$53 1/2, and Genzyme \$1 1/2 at \$58 1/2.

Kmart rose \$1 or nearly 26 per cent to \$7 1/2. After the market closed on Wednesday, the troubled retailer announced that it had renegotiated some of its debt and cut its quarterly dividend payment.

Qatar Oils slipped 8¢ to \$34 1/2 after the company warned that it would lose 35 to 45 cents a share, mostly due to the acquisition of Snapple in 1994. Analysts had forecast profits of 5 cents a share.

Canada

Toronto rewarded corporate stocks as the TSE 300 composite index rose 16.59 to stand at 4,896.96 at noon.

The most heavily traded stock was BCE (Bell Canada), up 52¢ to C\$47 on news that the Canadian government would allow telephone companies to increase local rates without cutting long distance tariffs. BC Telecom and Telus firmed C\$2 to C\$35 and C\$4 to C\$16 on the same theme.

Sherritt advanced C\$2 to C\$17 1/2, it said on Wednesday that the issue of Sherritt International's spin-off for international assets was overruled. And Goldstrike Exploration leapt 37 cents or 35 per cent to C\$1.42 on announcing that it had bought into an Indonesian prospect.

Biotech companies staged a

second day of gains amid positive news from Centocor, which said late on Wednesday that it was halting the trial of ReoPro, an anti-clotting drug, because results were so positive that it was unethical to continue giving placebos to some participants.

It was the second time in two weeks that Centocor had stopped a study because of positive results. Last week the shares jumped nearly \$10 on that news and yesterday the shares added another \$4 at \$29 1/2, the stock had more than doubled in five sessions. Elsewhere in the biotech sector, Chiron gained \$3 at \$106, Amgen \$1 at \$53 1/2, and Genzyme \$1 1/2 at \$58 1/2.

Kmart rose \$1 or nearly 26 per cent to \$7 1/2. After the market closed on Wednesday, the troubled retailer announced that it had renegotiated some of its debt and cut its quarterly dividend payment.

Qatar Oils slipped 8¢ to \$34 1/2 after the company warned that it would lose 35 to 45 cents a share, mostly due to the acquisition of Snapple in 1994. Analysts had forecast profits of 5 cents a share.

Canada

Toronto rewarded corporate stocks as the TSE 300 composite index rose 16.59 to stand at 4,896.96 at noon.

The most heavily traded stock was BCE (Bell Canada), up 52¢ to C\$47 on news that the Canadian government would allow telephone companies to increase local rates without cutting long distance tariffs. BC Telecom and Telus firmed C\$2 to C\$35 and C\$4 to C\$16 on the same theme.

Sherritt advanced C\$2 to C\$17 1/2, it said on Wednesday that the issue of Sherritt International's spin-off for international assets was overruled. And Goldstrike Exploration leapt 37 cents or 35 per cent to C\$1.42 on announcing that it had bought into an Indonesian prospect.

Biotech companies staged a

second day of gains amid positive news from Centocor, which said late on Wednesday that it was halting the trial of ReoPro, an anti-clotting drug, because results were so positive that it was unethical to continue giving placebos to some participants.

## EUROPE

## Interest rate cut fails to promote rally in Paris

There was further volatility in the Paris market as the CAC 40 index moved up 1.84 to 1,894.98 in turnover of FF5.3bn.

The market had fallen earlier to a session's low of 1,809 on a report, widely denied, that the government might delay the introduction of a new tax intended to help reduce the debt burden on the social security system.

Analysts said the move by the Bank of France, ahead of a meeting between Prime Minister Alain Juppé and trade union leaders, was largely symbolic. What was really wanted, they said, was a cut in the intervention rate.

The CAC-40 index moved up 1.84 to 1,894.98 in turnover of FF5.3bn.

The market had fallen earlier to a session's low of 1,809 on a report, widely denied, that the government might delay the introduction of a new tax intended to help reduce the debt burden on the social security system.

Analysts said the move by the Bank of France, ahead of a meeting between Prime Minister Alain Juppé and trade union leaders, was largely symbolic. What was really wanted, they said, was a cut in the intervention rate.

The CAC-40 index moved up 1.84 to 1,894.98 in turnover of FF5.3bn.

The market had fallen earlier to a session's low of 1,809 on a report, widely denied, that the government might delay the introduction of a new tax intended to help reduce the debt burden on the social security system.

Analysts said the move by the Bank of France, ahead of a meeting between Prime Minister Alain Juppé and trade union leaders, was largely symbolic. What was really wanted, they said, was a cut in the intervention rate.

The CAC-40 index moved up 1.84 to 1,894.98 in turnover of FF5.3bn.

The market had fallen earlier to a session's low of 1,809 on a report, widely denied, that the government might delay the introduction of a new tax intended to help reduce the debt burden on the social security system.

Analysts said the move by the Bank of France, ahead of a meeting between Prime Minister Alain Juppé and trade union leaders, was largely symbolic. What was really wanted, they said, was a cut in the intervention rate.

The CAC-40 index moved up 1.84 to 1,894.98 in turnover of FF5.3bn.

The market had fallen earlier to a session's low of 1,809 on a report, widely denied, that the government might delay the introduction of a new tax intended to help reduce the debt burden on the social security system.

Analysts said the move by the Bank of France, ahead of a meeting between Prime Minister Alain Juppé and trade union leaders, was largely symbolic. What was really wanted, they said, was a cut in the intervention rate.

The CAC-40 index moved up 1.84 to 1,894.98 in turnover of FF5.3bn.

The market had fallen earlier to a session's low of 1,809 on a report, widely denied, that the government might delay the introduction of a new tax intended to help reduce the debt burden on the social security system.

Analysts said the move by the Bank of France, ahead of a meeting between Prime Minister Alain Juppé and trade union leaders, was largely symbolic. What was really wanted, they said, was a cut in the intervention rate.

The CAC-40 index moved up 1.84 to 1,894.98 in turnover of FF5.3bn.

The market had fallen earlier to a session's low of 1,809 on a report, widely denied, that the government might delay the introduction of a new tax intended to help reduce the debt burden on the social security system.

Analysts said the move by the Bank of France, ahead of a meeting between Prime Minister Alain Juppé and trade union leaders, was largely symbolic. What was really wanted, they said, was a cut in the intervention rate.

The CAC-40 index moved up 1.84 to 1,894.98 in turnover of FF5.3bn.

The market had fallen earlier to a session's low of 1,809 on a report, widely denied, that the government might delay the introduction of a new tax intended to help reduce the debt burden on the social security system.

Analysts said the move by the Bank of France, ahead of a meeting between Prime Minister Alain Juppé and trade union leaders, was largely symbolic. What was really wanted, they said, was a cut in the intervention rate.

The CAC-40 index moved up 1.84 to 1,894.98 in turnover of FF5.3bn.

The market had fallen earlier to a session's low of 1,809 on a report, widely denied, that the government might delay the introduction of a new tax intended to help reduce the debt burden on the social security system.

Analysts said the move by the Bank of France, ahead of a meeting between Prime Minister Alain Juppé and trade union leaders, was largely symbolic. What was really wanted, they said, was a cut in the intervention rate.

The CAC-40 index moved up 1.84 to 1,894.98 in turnover of FF5.3bn.

The market had fallen earlier to a session's low of 1,809 on a report, widely denied, that the government might delay the introduction of a new tax intended to help reduce the debt burden on the social security system.

Analysts said the move by the Bank of France, ahead of a meeting between Prime Minister Alain Juppé and trade union leaders, was largely symbolic. What was really wanted, they said, was a cut in the intervention rate.

The CAC-40 index moved up 1.84 to 1,894.98 in turnover of FF5.3bn.

The market had fallen earlier to a session's low of 1,809 on a report, widely denied, that the government might delay the introduction of a new tax intended to help reduce the debt burden on the social security system.

Analysts said the move by the Bank of France, ahead of a meeting between Prime Minister Alain Juppé and trade union leaders, was largely symbolic. What was really wanted, they said, was a cut in the intervention rate.

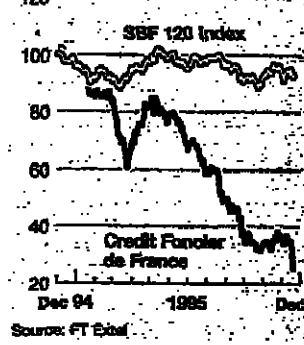
The CAC-40 index moved up 1.84 to 1,894.98 in turnover of FF5.3bn.

The market had fallen earlier to a session's low of 1,809 on a report, widely denied, that the government might delay the introduction of a new tax intended to help reduce the debt burden on the social security system.

Analysts said the move by the Bank of France, ahead of a meeting between Prime Minister Alain Juppé and trade union leaders, was largely symbolic. What was really wanted, they said, was a cut in the intervention rate.

## Crédit Foncier de France

Share price and index (rebased)



Source: FT Data

Established premium over Bayer with a rise of DM4.20 to DM239.20 for a two-day gain of DM2.20 on its plans to restructure its pharmaceuticals interests. Adidas, the sportswear group, continued to throw off its post-floatation blues, up DM1.55 to DM75.50, against a low of DM70 on Tuesday.

Losers included Allianz, down DM18 to DM2,837 on weak premium income growth and analysts' worries over 1996 prospects; observers noted that the stock had been among the top Dax performers in November, and in 1995 as a whole.

MADRID saw higher dividends from Telefonica and Bankinter, and the first payment from Ence, the paper company, since 1991. The shares rose Ptas20 to Ptas1,700, Ptas100 to Ptas1,700, and Ptas190 to Ptas1,700, against a low of Ptas1,600 on Tuesday.

FINLAND was more generally bullish, the forestry and metals sectors rising 2.45 per cent and 1.6 per cent respectively. In the Helsinki market, the general index closed 0.28 higher at an index of 2,628.55.

Blue chip winners included Hoechst, adding to its recently

established premium over Bayer with a rise of DM4.20 to DM239.20 for a two-day gain of DM2.20 on its plans to restructure its pharmaceuticals interests. Adidas, the sportswear group, continued to throw off its post-floatation blues, up DM1.55 to DM75.50, against a low of DM70 on Tuesday.

Losers included Allianz, down DM18 to DM2,837 on weak premium income growth and analysts' worries over 1996 prospects; observers noted that the stock had been among the top Dax performers in November, and in 1995 as a whole.

MADRID saw higher dividends from Telefonica and Bankinter, and the first payment from Ence, the paper company, since 1991. The shares rose Ptas20 to Ptas1,700, Ptas100 to Ptas1,700, and Ptas190 to Ptas1,700, against a low of Ptas1,600 on Tuesday.

FINLAND was more generally bullish, the forestry and metals sectors rising 2.45 per cent and 1.6 per cent respectively. In the Helsinki market, the general index closed 0.28 higher at an index of 2,628.55.

Blue chip winners included Hoechst, adding to its recently

established premium over Bayer with a rise of DM4.20 to DM239.20 for a two-day gain of DM2.20 on its plans to restructure its pharmaceuticals interests. Adidas, the sportswear group, continued to throw off its post-floatation blues, up DM1.55 to DM75.50, against a low of DM70 on Tuesday.

Losers included Allianz, down DM18 to DM2,837 on weak premium income growth and analysts' worries over 1996 prospects; observers noted that the stock had been among the top Dax performers in November, and in 1995 as a whole.

MADRID saw higher dividends from Telefonica and Bankinter, and the first payment from Ence, the paper company, since 1991. The shares rose Ptas20 to Ptas1,700, Ptas100 to Ptas1,700, and Ptas190 to Ptas1,700, against a low of Ptas1,600 on Tuesday.

FINLAND was more generally bullish, the forestry and metals sectors rising 2.45 per cent and 1.6 per cent respectively. In the Helsinki market, the general index closed 0.28 higher at an index of 2,628.55.

Blue chip winners included Hoechst, adding to its recently

established premium over Bayer with a rise of DM4.20 to DM239.20 for a two-day gain of DM2.20 on its plans to restructure its pharmaceuticals interests. Adidas, the sportswear group, continued to throw off its post-floatation blues, up DM1.55 to DM75.50, against a low of DM70 on Tuesday.

Losers included Allianz, down DM18 to DM2,837 on weak premium income growth and analysts' worries over 1996 prospects; observers noted that the stock had been among the top Dax performers in November, and in 1995 as a whole.

MADRID saw higher dividends from Telefonica and Bankinter, and the first payment from Ence, the paper company, since 1991. The shares rose Ptas20 to Ptas1,700, Ptas100 to Ptas1,700, and Ptas190 to Ptas1,700, against a low of Ptas1,600 on Tuesday.

FINLAND was more generally bullish, the forestry and metals sectors rising 2.45 per cent and 1.6 per cent respectively. In the Helsinki market, the general index closed 0.28 higher at an index of 2,628.55.

Blue chip winners included Hoechst, adding to its recently

established premium over Bayer with a rise of DM4.20 to DM239.20 for a two-day gain of DM2.20 on its plans to restructure its pharmaceuticals interests. Adidas, the sportswear group, continued to throw off its post-floatation blues, up DM1.55 to DM75.50, against a low of DM70 on Tuesday.

Losers included Allianz, down DM18 to DM2,837 on weak premium income growth and analysts' worries over 1996 prospects; observers noted that the stock had been among the top Dax performers in November, and in 1995 as a whole.

MADRID saw higher dividends from Telefonica and Bankinter, and the first payment from Ence, the paper company, since 1991. The shares rose Ptas20 to Ptas1,700, Ptas100 to Ptas1,700, and Ptas190 to Ptas1,700, against a low of Ptas1,600 on Tuesday.

FINLAND was more generally bullish, the forestry and metals sectors rising 2.45 per cent and 1.6 per cent respectively. In the Helsinki market, the general index closed 0.28 higher at an index of 2,628.55.

Blue chip winners included Hoechst, adding to its recently

established premium over Bayer with a rise of DM4.20 to DM239.20 for a two-day gain of DM2.20 on its plans to restructure its pharmaceuticals interests. Adidas, the sportswear group, continued to throw off its post-floatation blues, up DM1.55 to DM75.50, against a low of DM70 on Tuesday.

Losers included Allianz, down DM18 to DM2,837 on weak premium income growth and analysts' worries over 1996 prospects; observers noted that the stock had been among the top Dax performers in November, and in 1995 as a whole.

MADRID saw higher dividends from Telefonica and Bankinter, and the first payment from Ence, the paper company, since 1991. The shares rose Ptas20 to Ptas1,700, Ptas100 to Ptas1,700, and Ptas190 to Ptas1,700, against a low of Ptas1,600 on Tuesday.

FINLAND was more generally bullish, the forestry and metals sectors rising 2.45 per cent and 1.6 per cent respectively. In the Helsinki market, the general index closed 0.28 higher at an index of 2,628.55.

Blue chip winners included Hoechst, adding to its recently

established premium over Bayer with a rise of DM4.20 to DM239.20 for a two-day gain of DM2.20 on its plans to restructure its pharmaceuticals interests. Adidas, the sportswear group, continued to throw off its post-floatation blues, up DM1.55 to DM75.50, against a low of DM70 on Tuesday.

Losers included Allianz, down DM18 to DM2,837 on weak premium income growth and analysts' worries over 1996 prospects; observers noted that the stock had been among the top Dax performers in November, and in 1995 as a whole.

MADRID saw higher dividends from Telefonica and Bankinter, and the first payment from Ence, the paper company, since 1991. The shares rose Ptas20 to Ptas1,700, Ptas100 to Ptas1,700, and Ptas190 to Ptas1,700, against a low of Ptas1,600 on Tuesday.

FINLAND was more generally bullish, the forestry and metals sectors rising 2.45 per cent and 1.6 per cent respectively. In the Helsinki market, the general index closed 0.28 higher at an index of 2,628.55.

Blue chip winners included Hoechst, adding to its recently

established premium over Bayer with a rise of DM4.20 to DM239.20 for a two-day gain of DM2.20 on its plans to restructure its pharmaceuticals interests. Adidas, the sportswear group, continued to throw off its post-floatation blues, up DM1.55 to DM75.50, against a low of DM70 on Tuesday.

Losers included Allianz, down DM18 to DM2,837 on weak premium income growth and analysts' worries over 1996 prospects; observers noted that the stock had been among the top Dax performers in November, and in 1995 as a whole.

MADRID saw higher dividends from Telefonica and Bankinter, and the first payment from Ence, the paper company, since 1991. The shares rose Ptas20 to Ptas1,700, Ptas100 to Ptas1,700, and Ptas190 to Ptas1,700, against a low of Ptas1,600 on Tuesday.

FINLAND was more generally bullish, the forestry and metals sectors rising 2.45 per cent and 1.6 per cent respectively. In the Helsinki market, the general index closed 0.28 higher at an index of 2,628.55.

Blue chip winners included Hoechst, adding to its recently

## FT-SE Actuaries Share Indices

THE EUROPEAN SERIES

Dec 21	Dec 20	Dec 19	Dec 18	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13	Dec 12	Dec 11	Dec 10	Dec 9	Dec 8	Dec 7	Dec 6	Dec 5	Dec 4	Dec 3	Dec 2	Dec 1	Nov 30	Nov 29	Nov 28	Nov 27	Nov 26	Nov 25	Nov 24	Nov 23	Nov 22	Nov 21	Nov 20	Nov 19	Nov 18	Nov 17	Nov 16	Nov 15	Nov 14	Nov 13	Nov 12	Nov 11	Nov 10	Nov 9	Nov 8	Nov 7	Nov 6	Nov 5	Nov 4	Nov 3	Nov 2	Nov 1	Oct 31	Oct 30	Oct 29	Oct 28	Oct 27	Oct 26	Oct 25	Oct 24	Oct 23	Oct 22	Oct 21	Oct 20	Oct 19	Oct 18	Oct 17	Oct 16	Oct 15	Oct 14	Oct 13	Oct 12	Oct 11	Oct 10	Oct 9	Oct 8	Oct 7	Oct 6	Oct 5	Oct 4	Oct 3	Oct 2	Oct 1	Sept 30	Sept 29	Sept 28	Sept 27	Sept 26	Sept 25	Sept 24	Sept 23	Sept 22	Sept 21	Sept 20	Sept 19	Sept 18	Sept 17	Sept 16	Sept 15	Sept 14	Sept 13	Sept 12	Sept 11	Sept 10	Sept 9	Sept 8	Sept 7	Sept 6	Sept 5	Sept 4	Sept 3	Sept 2	Sept 1	Aug 31	Aug 30	Aug 29	Aug 28	Aug 27	Aug 26	Aug 25	Aug 24	Aug 23	Aug 22	Aug 21	Aug 20	Aug 19	Aug 18	Aug 17	Aug 16	Aug 15	Aug 14	Aug 13	Aug 12	Aug 11	Aug 10	Aug 9	Aug 8	Aug 7	Aug 6	Aug 5	Aug 4	Aug 3	Aug 2	Aug 1	July 31	July 30	July 29	July 28	July 27	July 26	July 25	July 24	July 23	July 22	July 21	July 20	July 19	July 18	July 17	July 16	July 15	July 14	July 13	July 12	July 11	July 10	July 9	July 8	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30	June 29	June 28	June 27	June 26	June 25	June 24	June 23	June 22	June 21	June 20	June 19	June 18	June 17	June 16	June 15	June 14	June 13	June 12	June 11	June 10	June 9	June 8	June 7	June 6	June 5	June 4	June 3	June 2	June 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	April 30	April 29	April 28	April 27	April 26	April 25	April 24
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	----------	----------	----------	----------	----------	----------	----------